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THIRD SESSION—SEVENTEENTH PARLIAMENT

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1932

CANADA

House of Commons Debates

OFFICIAL REPORT

Tuesday, March 15, 1932

The house met at three o'clock.

GARNET WHEAT

REFERENCE OF REPORT OF COMMITTEE ON GRAIN STANDARDS TO COMMITTEE ON AGRICULTURE

Hon. H. H. STEVENS (Minister of Trade and Commerce): I have a motion which I should like to present to the house, but before doing so, I think a brief statement in regard to the question of garnet wheat might be advisable. My motion, I may say, is to refer the matter to the committee on agriculture. The statement is as follows:

Under section 25 of the Grain Act, 1930, a committee on grain standards is set up each year. For the crop year 1931-32 the committee on western grain consisted of:

E. B. Ramsay, Chief Commissioner, Board of Grain Commissioners; D. A. MacGibbon, Commissioner, Board of Grain Commissioners; C. M. Hamilton, Commissioner, Board of Grain Commissioners; J. D. Fraser, Chief Inspector, Board of Grain Commissioners; George Serls, Chairman, Grain Appeal Tribunal, Winnipeg; George Hill, Chairman, Grain Appeal Tribunal, Calgary; C. R. Manahan, Chairman, Grain Appeal Tribunal, Edmonton; Doctor F. J. Birchard, Chemist in charge, Grain Research Laboratory; L. H. Newman, Dominion Cerealist; H. Sellers, representing the millers; George Bennett, W. H. Fairfield, C. C. Gillis, W. McLeod, representing Grain Growers in Alberta; J. D. Read, Dean A. M. Shaw, J. Wellbelove, A. E. Wilson, W. Wright, representing Grain Growers in Saskatchewan; Doctor G. P. McRostie, P. V. Wright, D. A. Kane, representing Grain Growers in Manitoba; K. Campbell, representing Grain Growers in British Columbia; C. J. Drake, Secretary. In accordance with their usual practice, the committee selected and settled standard samples of the statutory grades. During the period of the discharge of their regular duties they were confronted with the problem of garnet wheat, and after full consideration passed the following resolution, which was included in their report to the Board of Grain Commissioners and by the latter included in their annual report as required by section 23 of the Canada Grain Act:

That this western committee of grain standards recommend that after the 31st of July, 1932, garnet wheat shall not be graded in the first four grades of red spring wheat as specified in schedule 1 of the Canada Grain Act, 1930, and further recommend that the following grades be established:—

No. 1 C.W. Garnet wheat;
No. 2 C.W. Garnet wheat;
No. 3 C.W. Garnet wheat;

and that any garnet wheat that cannot be assigned to these grades on account of special characteristics shall be graded No. 4 northern, or in the commercial grades of red spring wheat according to the standards established for such grades.

This resolution has no effect in law, but is an indication of the composite view of this important committee on grain standards, and carries the judgment of the Board of Grain Commissioners and, therefore, cannot be ignored.

To give effect to the resolution, my opinion is that it will be necessary to amend the Grain Act, section 24, which fixes the standards for western grain and to provide by statute for a separate grade for garnet wheat. I therefore suggest that this resolution should be submitted to the agriculture committee, where full consideration can be given to the whole question and a decision arrived at as to whether or not the Canada Grain Act should be amended. I am not passing any opinion on the suggestion of the committee on grain standards, but I wish to move:

That the report of the committee on grain standards for the crop year 1931-32, in so far as it relates to garnet wheat, be referred to the select standing committee on agriculture and colonization with instructions that the whole subject be inquired into carefully and that the said committee shall have power to call for witnesses, papers and documents and to report to the house its findings.

Motion agreed to.

CIVIL SERVICE

SPECIAL COMMITTEE TO CONSIDER APPOINTMENTS AND THE ADMINISTRATION AND OPERATION OF THE ACT

Right Hon. R. B. BENNETT (Prime Minister) moved:

That the name of Mr. MacInnis be substituted for that of Mr. Woodsworth on the special committee on Civil Service and Civil Service Act.

Motion agreed to.

TRADE AGREEMENT WITH GERMANY

On the orders of the day:

Mr. J. A. BRADETTE (North Timiskaming): I should like to ask a question of the Minister of Trade and Commerce. A few days ago the minister told the house there were negotiations with Germany in regard to a trade agreement. This morning there is a despatch to the effect that on the first of April Germany will place restrictions on Canadian goods unless Canada makes an agreement with Germany before the Imperial conference.

Hon. H. H. STEVENS (Minister of Trade and Commerce): I did not catch all that my hon. friend said, but the answer, I think, is this: the government at the present moment have no statement to make on the subject.

NORTH AMERICAN LIFE ASSURANCE COMPANY

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Yesterday evening the hon. member for West Edmonton (Mr. Stewart) indicated that he thought my statement as to the common stock held by the North American Life Assurance Company was inaccurate. I find this morning from the Superintendent of Insurance that the actual percentage is 5·63, of which bank stocks, loan companies' stocks, and consumers' gas companies stock amounts to 5·16, and other utility and industrial stocks, 17/100 per cent. I fancy it is the latter figure to which the hon. gentleman referred.

Hon. CHARLES STEWART (West Edmonton): I do not think I said the statement was inaccurate. I merely pointed out that common stocks were less than one-half of one per cent.

Mr. BENNETT: They are 5·63 per cent.

[Mr. Stevens.]

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—CONSIDERATION OF RESOLUTION

The house resumed from Friday, March 11, consideration of the motion of the Prime Minister that Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole on the following proposed resolution:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, for the past two weeks the house has been listening to a very lengthy debate on this resolution.

Mr. MACKENZIE KING: Two weeks?

Mr. STEVENS: Nearly two weeks. During this time many rather impassioned speeches have been delivered, directed largely to an attack upon the government on constitutional grounds. Perhaps it is advisable, once in a while during the course of a debate of this kind, to bring the attention of the house back to precisely what is proposed in the resolution. Last year an act was passed which was very fully considered by the house. This measure, which was presented in a constitutional manner, asked the house to clothe the government with certain authority and powers. There was very sound reason for the request. This country, in common with other countries throughout the world, was suffering under a very serious economic depression, and there was prevalent throughout the country a considerable degree of unemployment. While the house was in session it became evident to all that a condition was likely to arise in western Canada of the nature of a national calamity. The Prime Minister brought to the attention of the house the conditions due to the crop failure particularly in Saskatchewan and parts of the other provinces. In one large section there had been three successive crop failures, and the Prime Minister described it at the time as a great national calamity. I think the house generally most regretfully concurred in that view and it was felt that the situation was so grave that it warranted extreme measures. It was unknown at the time and unknown for some months thereafter just what the extent of the calamity was, and furthermore it was difficult for the government, and certainly most difficult for the house, to judge of what measures might be necessary to deal with the situation. I shall not go into any laboured argument in regard to that point

other than to attempt to focus the attention of the house for a moment upon the extreme difficulties with which the government was confronted.

It is true that at that time an appropriation might have been voted, and it was very largely the burden of the complaint of some hon. members that that was not done, but I invite hon. gentlemen to consider this, that when an appropriation is passed the purpose for which it is to be used must be specified, and the Auditor General and other officers of the crown in scrutinizing expenditures under such an appropriation always keep the government very closely to the purpose specified in such a vote. Now under the conditions obtaining a year ago it was quite impossible to determine what the requirements might be. Some question arose as to the amount, and I recall particularly that the right hon. leader of the opposition (Mr. Mackenzie King) and other hon. members opposite intimated that if it was the desire of the government to secure $100,000,000 the house was willing to grant it. At the same time, had it gone forth to the country that $100,000,000 or $150,000,000 had been voted for the purpose of unemployment and farm relief it is easy to visualize the effect which that might have had upon the public. There is always a tendency when it is indicated that there is available a large sum of money to feel that such a sum must be expended. The object which the government had in view was to do justice to the situation and at the same time to keep the expenditure to the lowest possible amount, and the government in its wisdom thought that the proposal which was submitted to the house a year ago was the most wise one to suggest. It is true that there were difficulties and objections, but after all the representatives of the people in parliament assembled passed the bill and clothed the government with those powers. I quite agree that in giving the government, as the house did on that occasion, a blank cheque, as it has been described, it at the same time laid upon the shoulders of the ministry very grave responsibilities in the discharge of their duties under that act.

The government carried on under that act until March 1 last. Now we come before parliament and say this: We carried on under that act until March 1 last, and we lay before parliament the result of our administration of the act. We have certain commitments which have been made under the act; that is, agreements have been entered into with each of the provinces and various works of a different character are being carried on by the provinces with the aid of the dominion, and we ask for an extension of the act for two months, because the difficulties which then confronted the country have not been surmounted and further relief is required. So we are asking in this resolution for an extension of the powers conferred in that act.

Our hon. friends opposite and those who are critical of this course at the present time attack the government, very largely, if not solely, on the ground of the constitutionality of the government's course. But I draw this in particular to the attention of the house, that no serious challenge has been made of the manner in which the government has discharged its duty in the administration of this act.

Some hon. MEMBERS: Oh.

Mr. STEVENS: I submit that with confidence, and a perusal of the utterances of even the most bitter critics of the government will not disclose, I repeat, any serious challenge of the manner in which the government has discharged its duty under the act.

Some hon. MEMBERS: Hear, hear.

Mr. STEVENS: My hon. friend from Shelburne-Yarmouth (Mr. Ralston) the other day made—shall I say?—a very powerful speech weighted with keen legal argument about the constitutionality of the resolution, and he brought to bear upon the subject all of that ability and keenness of intellect for which he is noted. His speech was somewhat cynical, I will admit, but during the whole course of it he cited only two or three instances such as that in one case a man with a bank account had obtained relief. He cited a few other instances of that kind. Under the conditions that obtain to-day there is no doubt whatever that many individuals, as was stated very clearly the other evening by the hon. member for Melville (Mr. Motherwell) who were not actually in dire need did secure relief under the act, but this government in conjunction with the various provincial governments and municipal authorities has sought, so far as it is humanly possible to do so, to weed out any such individuals, eliminate any unjust claims and overcome any abuses of that character. That there have been such instances is I think beyond question. I myself have heard of just such instances, and have drawn them to the attention of the authorities administering the act, with the result that very definite steps were taken to correct such abuses, but I repeat, my hon. friend from Shelburne-Yarmouth did not during the whole of his speech point to any serious fault on the part of the

government in the administration of this act, other than to make the constitutional argument which he brought forward and which I think has been characterized by hon. gentlemen opposite as a very cherished doctrine of the Liberal party.

Mr. RALSTON: If my hon. friend will permit me—I am not going over my speech—but I did point out two things which perhaps escaped his attention. One was that only three days' work out of every month had been provided for those whom it was supposed the act was to benefit; and the other was that $146,000,000 had been spent and at the most only $44,000,000 worth of employment provided.

Mr. STEVENS: I did not intend, and I do not wish to be drawn into an analysis of that part of my hon. friend's speech.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: I will dispose of it, however, in two or three sentences. In the first place, my hon. friend has placed upon Hansard and upon the front pages of the newspapers that there was $146,000,000 spent, in which was included the amount spent by this government and the amounts spent by the provincial and municipal authorities, plus a very large sum of money spent in the normal way by the railways at the instigation of the provinces and the dominion to help the situation. He lumped all of those sums into one composite sum of $146,000,000.

Mr. RALSTON: No, I divided it.

Mr. STEVENS: Then he divided it by a rather astute method of mathematics into the number of work days supplied, and indicated that the results were not very satisfactory. But in all fairness he and others must recognize this, that we do not say that we gave three hundred thousand odd individuals work during the whole of last year. That was not the object of the legislation at all. The object of the legislation was to give relief where it was needed. Undoubtedly some individuals secured relief for a few days or weeks at odd times, and at other times were able to look after themselves. For instance, in the city of Toronto, as well as in other cities—I am using Toronto as an illustration—during this current winter and the winter of a year ago what is known as the man-a-block scheme was inaugurated whereby residents, local citizens, would undertake to care for the needs of a family in a particular block. Thereby many individuals who received temporary relief under this act were taken out from under the requirements of the act and given relief in other ways.

The hon. member for Quebec East (Mr. Lapointe) charged in a very unctuous manner that the Prime Minister was a despot and a dictator, and those observations have been echoed by others who have spoken on this subject. I pause to say only a word or two in that connection. There is no man in this country more jealous of the constitutional rights of its citizens, or of parliament, than is the Prime Minister of Canada. However, any and all government leaders must secure from parliament powers which perhaps at times may have the nature of dictatorship, if one chooses to use that term. I call the house to witness this, that the Prime Minister came to parliament, made his proposals and was clothed by it with certain powers. The only question which remains for parliament is not whether the action of a year ago was right or wrong but rather: What has the government done with the powers with which it was clothed? In so far as there has been any challenge of the action of the government, such criticism is perfectly legitimate. We are prepared to meet it, and prepared to listen to such criticism.

The situation which confronted the government was this: Undoubtedly there was a national emergency, the nature of which a year ago it was impossible to define in precise terms. Indeed, in any such emergency there are bound to be conditions which cannot possibly be foreseen, and yet it is of prime importance that such conditions should be met when they arise. Therefore, I say a year ago the government was faced with a national emergency due largely to two causes, namely unemployment and crop failure. So far as unemployment is concerned, we simply came to the support of the provinces. It has been reiterated time and time again that the duty of looking after civic welfare of the citizens of this country rests primarily upon the municipalities and provinces. Recognizing however that conditions were most unusual the federal government came to parliament and said, "We believe it is necessary for us to supplement the actions of the provinces and municipalities, and we are asking parliament to clothe us with power so to do." We received that power, and have carried out our obligations as made under agreements with the provinces. The result of our actions was laid upon the table a few days ago as contained in the report by the Minister of Labour.

The second difficulty with which we had to deal was the crop failure in the west. After

giving careful thought to conditions in the west the government undertook the whole cost of relief. We considered that particular aid was in the nature of a national undertaking, and as a result we have spent millions of dollars giving relief to western districts. I listened very carefully to that characteristically entertaining speech with which the hon. member for Melville (Mr. Motherwell) regaled the house. We are always pleased to listen to the hon. member, because his remarks come as a relief from the more studious and serious matters of parliament. I call the attention of the house to the fact that the hon. member, who is not usually inclined to give any credit to hon. members on this side of the house, said in his remarks that on the whole the relief work in the province of Saskatchewan, about which he was then speaking, was well done. Of course, he did have criticism of some of the individuals who were directing the relief, and in that connection he drew attention of hon. members to the fact that certain Liberals were among the personnel. He explained that fact by saying that the government put those Liberals there as goats, to use his own characteristic language. I assure the hon. member and all other hon. members of the house that we had no desire, no wish or intention to place those gentlemen in any such undignified position. The fact remains that the commission in Saskatchewan, a body of citizens with a sense of public duty, have discharged with credit to themselves and to the country, one of the most difficult tasks with which any group of men were ever confronted.

We now come to certain criticisms of the government in connection with orders in council passed under the act. The allegation has been made by hon. members opposite that this legislation is autocratic, that it is unconstitutional, and deprives parliament of its inherent rights to control the administration of affairs. Listening to such arguments one would think that the government had committed some heinous offence under the guise, shall I say, of the administration of this act. Let us see what happened. Four orders in council were cited, to which very briefly I shall refer. In his remarks the other day the hon. member for Quebec East dealt with those orders in council. One was passed whereby the federal government guaranteed certain advances made to the pools. Were we right or wrong? Was that an action for which we should be condemned, or was it one calculated to assist the general welfare of the community affected? Was it a proper act? Was it a wrong act? We have not been challenged in regard to the advisability of giving that help. No one has said that the government did wrong, but some have said that the order in council should not have been passed. How else could we have acted? Under what other statute could the guarantee have been made? Hon. members have not shown how the emergency could have been met in any way other than the way it was met. The question I ask hon. members opposite, the house and country is this: Was the government of Canada justified in passing that order in council to assist the pools of Canada? What was the effect of it? Let me put it another way: Had we not taken action, what would have been the effect? Hon. members from western Canada whom I now see sitting opposite know perfectly well that had the Dominion government not given some support to the pools at that time, our lack of action would have had a very serious effect upon the marketing of last year's crop. Up to the present time has the country lost a dollar through its relief to the pools? Is it likely to lose any money? The answer is no; the answer is that Canada, through the action of its government, is not likely to lose a single dollar. On the other hand it is fair to assert that the action of the government steadied the situation and saved to western Canada the integrity of the pools, preventing them being thrown into chaotic liquidation at a time when there was civic grief throughout the country. Again I say there is no challenge as to the wisdom of the action of the government; the only quibble is whether it should be done under this act, and they offer us no suggestion as to any other way in which it could have been done. I ask you to tell me what hon. gentlemen opposite would have done under similar circumstances.

Mr. LAPOINTE: Pass an act of parliament.

Mr. STEVENS: Parliament was not sitting.

Mr. LAPOINTE: Yes. It was done to redeem a pledge given by the government to the banks prior to the session of parliament.

Mr. STEVENS: When the order in council was passed parliament was not sitting.

Mr. LAPOINTE: Surely it had been sitting before.

Mr. STEVENS: No, it was not. Now I turn to another order in council prohibiting the export of gold. Was there an hon. member in this house who foresaw the possibility of Great Britain going off the gold standard late in September? No one had it in mind, no one suggested it, not even the leading

economists and students of world affairs suggested the possibility. Canada was faced with an emergency, with a condition which called for immediate action. What action did we take? Under the powers of this act we passed an order in council prohibiting the free export of gold. In other words, we simply said this: Anyone desiring to export gold shall first obtain a licence from the Minister of Finance. The government in the best interests of the country took power to control the export of gold, and its export by the banks was allowed on licence from the Minister of Finance. Now I ask: Did we do wrong or did we do right? Was it in the best interests of the country to take that position, or was is not? Has the country suffered any injury as a result of the action then taken by the government? Can any hon. member say that a single constituent of his suffered any real injury as compared with the welfare of the country at large by the action of the government in that respect? I think the answer must be no, that there was no injury suffered, that it was an action which ought to have been taken and which was properly taken. And again I say it could not have been taken except under the powers given the government by this act.

Now, I turn to the insurance companies. The country was confronted with the possibility of the serious impairment of the interests of insurance companies generally—by the way, a very similar problem arose in the United States—and under the powers given to the government by this act an order in council was passed fixing June 30 as the date at which securities held by insurance companies should be valued. Again I ask: Was that an action in the interests of the general stabilization of the conditions of the country, or was it not? Was it wise and advisable, or was it unwise and inadvisable? I think in this case as in the other cases the answer is that it was a wise act on the part of the government and well taken in the general interests of the country. The same thing applies to the action taken by the government with respect to bank securities. The action was taken in order to steady financial conditions and to prevent an unreasoned attack upon these great financial institutions. Such an attack, I believe, would have resulted in financial chaos in this country had the government not taken the action it did.

So, Mr. Speaker, we have these actions on the part of the government which I am certain were all taken in the national interest. There is one other order in council, and it has been cited as evidence of the autocracy of the government. It is said there was an increase in the numbers of the Royal Canadian Mounted Police. What are the facts? Two hundred men were added to the force. Under legislation previously passed by this parliament and by two of the provinces the federal government was asked to take over the policing of those provinces, Alberta and Manitoba, and I think a third province has made a similar request. Was the action taken by the government in this instance necessary or was it unnecessary? Was it wise or was it unwise? Should the government be condemned for doing it? If so, why? Not a word has been said to elucidate that problem, only the general sweeping condemnation that the government has done something autocratic under this act.

Now, Mr. Speaker, I think I have reviewed the various actions of the government which might be termed as abnormal actions under the terms of this act.

Mr. GARDINER: What is the date of the order in council increasing the number of the mounted police?

Mr. STEVENS: I think it was in December.

Mr. GARDINER: That is before negotiations were opened with Alberta.

Mr. STEVENS: I do not think so, although I have not the precise dates. Just at present we must prepare to take over the policing of the provinces; we cannot wait until the thing is all over. And the same remarks apply to two other provinces whose governments have suggested that we should take over the policing. But the point I am seeking to impress upon the house is that the government is challenged at the present time on the constitutionality of this act, and it is urged that by giving the government these unusual powers there is danger of their being abused. What hon. members opposite ought to be searchingly inquiring into is this: Having clothed the government with these powers some nine months ago, has this government improperly used those powers, has it abused them, has it taken any undue advantage of its authority, have any citizens suffered because of any action by the government under this act? The answer in every case is no. On the contrary, in every instance the action taken by the government under these special powers resulted in some marked benefit to large sections of the country.

I do not intend, Mr. Speaker, to labour the point. We are asking the house to extend this legislation until the first of May. There are

commitments—when I say commitments, I mean there are works and so forth under way at the present time in conjunction with the provinces that ought to be carried forward: there is the question of seed grain; there is the question of continued relief until the spring months at least to the stricken area in the west; there is the question of unemployment relief in the great urban centres where in some instances certain works are now going on. I have in mind those municipalities where they have been unable to complete the work they have had under way for relief purposes because of climatic conditions, where only part of the money which was allocated has been spent, and only part of the work which was started has been carried out. They are entitled to complete those works, because unfortunately the condition of unemployment is still present. We are asking the house, therefore, to continue the powers granted to us last year until the first of May in order to give reasonable opportunity to complete those undertakings.

With due deference to my hon, friends opposite I think during the past week or ten days there has been altogether too much time spent on the constitutional side of this matter. That question was decided a year ago.

Some hon. MEMBERS: No, no.

Mr. STEVENS: Decidedly. Let me put this to my hon. friends opposite: They were not satisfied, that is true, but after all, this house consists of that side and this side.

Mr. STEWART (Edmonton): No, no. Parliament consists of that side now.

Mr. STEVENS: Perhaps, Mr. Speaker, I am learning something new about parliament. I always thought that this house consisted of all sides.

Some hon. MEMBERS: No, no.

Mr. STEVENS: My hon. friends opposite say no. I do my hon. friend from West Edmonton (Mr. Stewart) this courtesy at least—I recognize him as an integral part of this parliament. True, he did not consent to the passing of this act last session; but the validity of a statute is not based upon the unanimous consent of the house. It is true my hon. friend spoke against the bill a year ago, but parliament as such,—this house and the other house—passed the bill and it became law.

Mr. MACKENZIE KING: May I ask my hon. friend this question: Was not the bill that parliament passed last session for the express purpose of giving the government power to act while parliament was not in session; and is not the present bill intended to give the government power to act while parliament is in session?

Mr. STEVENS: My hon. friend is quite entitled to that view, but we are here now before parliament; I am giving the reasons why we are here, and justifying the course of the government under this act during the past year. I say to parliament that because of the course pursued by the government and because of the absence of anything in the nature of abuses such as are indicated as being feared by hon. gentlemen opposite, the house is justified in extending this power until May 1, and that is all there is to it.

Let me remind the house that there was not an hon. member opposite, and for that matter there was no one in this country, who could have stated exactly what would be the requirements during the past year; it was a physical impossibility to do so. No one could have done it, and if the government had not possessed some power of this kind it could not have met the emergencies which arose. The government does not propose that any unreasonable advantage shall be taken in connection with this bill; it does not intend that it shall be improperly used. The government simply desires that the general powers of the act may be used to meet the emergent conditions which arise from time to time.

It is not my intention, Mr. Speaker, to speak at greater length on this subject, but I do feel that the house should not weigh this matter with the view of raising once again an obscure constitutional question such as was successfully raised by my right hon. friend in 1926. I do not wish to be unkind to the right hon. gentleman, but as I listen to his unctuous declamations every day, I sometimes wonder if it is not his desire to stir up in the minds of the people a suspicion that some terrible inroads are being made on the constitutional rights of the ordinary people.

Mr. MACKENZIE KING: But my hon. friend does not distinguish between obscure issues and fundamental issues. These are fundamental issues.

Mr. STEVENS: I am reminded that at the moment the fundamental issue here is the relief of the people and the bettering of conditions with which we are confronted to-day.

Mr. MACKENZIE KING: And I might add the immediate relief, which can be given at once if the government will bring in a supply bill this afternoon.

Mr. STEVENS: No one knows better than the right hon. gentleman, and a certain number of those sitting around him who have had experience in administration, the difficulty of administering the affairs of a government, with conditions as they are to-day, under a specific appropriation of parliament.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: My hon. friends may pooh-pooh the idea, but the fact remains. I have already cited a number of cases that could not have been dealt with under any appropriation which might have been made last year. So I say, Mr. Speaker, that in this resolution there is no invasion of the public interest or the public right; on the other hand power is given to safeguard those rights, and I contend that last year, under this bill, the government was not guilty of any departure from regular constitutional procedure.

Mr. VALLANCE: Did I understand the minister to say that it was due to the fact that this bill was being held up that the farmers were not now receiving seed grain? I ask that because a press despatch was drawn to my attention yesterday stating that on and after to-day the farmers will receive that seed grain.

Mr. STEVENS: I think the answer to that question is very simple. Seed grain relief is being directed by the provinces. Should this bill not pass and should the government not be clothed with the powers sought, the provinces will have to bear the burden alone, without the assistance of this government.

Mr. MACKENZIE KING: No; the government can bring in a proper supply bill.

Mr. DONNELLY: Does the minister say the seed has not been bought?

Mr. STEVENS: The seed is being purchased by the provincial authorities.

Mr. G. W. McPHEE (Yorkton): Mr. Speaker, the more I consider the resolution which is the subject matter of this debate the more I am impressed with the great travesty on responsible government which it contemplates. My hon. friend (Mr. Stevens) to whom I have listened with a great deal of pleasure for the last half hour, has not helped me very much; he has simply stated that the government is carrying into effect, as he said, the autocratic powers which it has been able to exercise because last year we passed the unemployment relief act. That bill is now dead; the resolution now before the house seeks to breathe life into that dead body, and so the whole question is opened up again.

A hundred years ago, Mr. Speaker, those who laid the foundations of this great country had to fight against the old Tory Family Compact of that day, and after eventual bloodshed they secured for themselves and those who were to follow responsible government for Canada. No matter how distasteful it may be to hon. gentlemen opposite, it is a source of pride to us of the Liberal faith that on this side of the house we have two grandsons of the old rebels, Mackenzie and Papineau, in the right hon. leader of the opposition (Mr. Mackenzie King) and the hon. member for Labelle (Mr. Bourassa).

The rights so dearly bought for us should not be lightly given up. In those days the Family Compact, in their efforts to keep for themselves the power they then possessed, used methods somewhat akin to those adopted by the present government. For instance, every student of history knows that in Halifax they took the printing press belonging to one of the Reformers and dumped it into Halifax harbour, and they took the printing press of another Reformer in central Canada and threw it into lake Ontario. If that were done in these days I presume it would be said it was done for the peace, order and good government of Canada. But, Mr. Speaker, the actions of the old Tory Family Compact pale into insignificance when we consider the actions of the present government, autocratically demanding the rights that should be exercised only by the elected representatives of the people. This is the fundamental issue as far as I am concerned, and I submit that every hon. member of this house stands upon an equal footing. Each one of us has the right to say whether or not money shall be voted for this or for that and how it shall be spent. Let the right hon. gentleman follow the advice given to him by the leader of the opposition (Mr. Mackenzie King) and bring in a money bill for whatever amount is necessary. If that is done we on this side will guarantee that in half an hour the money will be voted in the way in which it should be voted by a representative parliament.

The whole question of unemployment and farm relief now is opened up. Let us consider what it all means. At the best this measure cannot be even a palliative because it leaves the victim in a worse condition than he was before. Hon. gentlemen opposite say that they have not received any constructive criticism from this side of the house, but I offer one bit of constructive criticism—let this government get off the backs of the agriculturists of Canada. That would do more to relieve unemployment than anything else.

The prosperity of this country depends upon the prosperity of the primary producers, and the agriculturists are the greatest body of primary producers in this country. What is the true condition in which we find agriculture to-day as a result of eighteen months of the sort of government we have had in this country? The following figures giving the prices received by the producer are rather startling:

	Cents
Wheat (per bushel)	46
Oats (per bushel)	18
Rye (per bushel)	25
Barley (per bushel)	26
Butter (per pound)	20
Eggs (per dozen)	15
Pork (per pound)	3
Beef (per pound)	3½

Mr. COWAN (Long Lake): Oh, oh.

Mr. McPHEE: Do I hear the hon. member for Long Lake (Mr. Cowan) cackling?

The price received by the producers for beef is only 3½ cents per pound. How can the farmers of Canada exist with prices such as these? The other day the Prime Minister referred to seventy-six municipalities which had been drouth stricken in Saskatchewan but even had there been no drouth the condition of the farmer in western Canada would have been very bad. The fact is that he cannot sell at a price which will return anything like the costs of production. As I said before, the best form of relief, as far as western Canada is concerned, would be for the government to get off the backs of the farmers.

There are no markets in which the farmer can sell his products. Belgium was a country with which we had a great deal of trade before this government came into office, and in order to emphasize the statement I have just made I shall read an extract from a newspaper in Brussels which is close to the government of that country. This article was published in January, 1931, shortly after the Imperial conference, and reads:

Just previous to his departure for the Imperial conference in London, Mr. Bennett brought down in the Canadian house a bill dealing with the tariff. The tariff changes which were immediately put into force were adopted by the Canadian parliament. It is of some interest to Belgium whose exchanges with Canada have favourably developed in the course of these last years, to examine the situation and to bring out somewhat the point.

The first truth which appears in consulting statistics with reference to commerce, is that the balance of trade is greatly in favour of Canada.

We learn, moreover, that Belgium is, with the exception of Great Britain, its best European customer in the purchasing of wheat, oats and barley, and ranks second or third of all Canada's clients in the purchasing of these products; that it absorbs almost the total Canadian output of zinc ore and the greater portion of that of asbestos.

The balance of trade between the two countries, already greatly against Belgium, will certainly again be accentuated by this last measure.

Belgium can therefore not remain indifferent to Mr. Bennett's projected legislation of a distinctly protective character, and making for a complete revision of the Canadian customs tariff. It surely would be hardly conceivable that she should continue to be one of the best customers of a country which deliberately closes its doors to her products.

To counteract the Russian dumping, the government took the necessary protective measures which the situation demanded. Without there being any need of having recourse to such methods in the case of Canada, Belgium could very well abstain, in the future, from making her purchases in that country. Canada is not the only country which produces wheat, oats, barley, asbestos and zinc ore. There is no reason why Belgium should not supply herself with these articles on markets which are more friendly to her productions.

Not only did Belgium act in that manner but thirty countries did likewise. As a result of the tariff manipulations and tariff juggling of this government, thirty countries retaliated against Canada with disastrous results as far as the farmers of Canada are concerned.

Mr. BENNETT: Does the hon. gentleman realize that these so-called retaliations were against all other countries including Canada? Before this government came into power every country in the world but one had increased its tariffs against all countries.

Mr. McPHEE: The information which I am about to give the house was gleaned from The Commercial Intelligence Journal, a publication of the present government. Here is what it said a few months ago with regard to this action:

The countries which adopted unfriendly attitudes were Esthonia, Siam, Poland, South Africa, Germany, New Zealand, Mexico, Czechoslovakia, Bahamas, Italy, France, Argentine, Cuba, St. Vincent, St. Lucia, Colombia, India, Norway, China, Bolivia, Denmark, Uruguay, Greece, Switzerland, Belgium, United States, Netherlands, Jugoslavia, Sweden, Irish Free State.

These countries retaliated against Canada with disastrous results to our producers.

Mr. BENNETT: The hon. gentleman states he obtained his information from the official record, but that record shows that these countries enacted tariff legislation against Canada as well as all other countries. It was tariff legislation affecting imports; it affected Canada as well as other countries, it was not a case of retaliating against Canada alone.

Mr. McPHEE: That does not lessen the effect of my statement that they retaliated

against Canada. These countries having retaliated against Canada, I presume it is the duty of the Minister of Trade and Commerce (Mr. Stevens) to find other places with which we can trade. In common with other hon. members I found a pamphlet in my letter box this morning. This is an official publication of the Department of Trade and Commerce, presided over by the hon. Minister of Trade and Commerce (Mr. Stevens) and deals with the Falkland islands. It gives a short history of the islands, stating that they were first settled by the French, then by the Spanish and afterwards taken over by the British. The nationality of the occupants is now given as Scotch, and they total 3,378. The article states that the vocation of these people is sheep farming and whaling. I do not know what trade there could be between Canada and the Falkland islands. My hon. friend would not permit sheep to be brought into this country and I do not know about whales and their products. While the Canadian people will no doubt thank my hon. friend for the information regarding the geography and history of the islands, the striking point is the last sentence in the pamphlet where he says:

Canada has no direct trade with the Falkland islands.

And Canada has not very much trade with other countries of the world, and if the present government is permitted to occupy the treasury benches much longer, that trade will dwindle down to practically nothing.

What is the result of this tariff manipulation and juggling? The figures for the total trade of Canada, according to the return, are as follows:

Fiscal year	Total trade of Canada
1929-30	$2,392,000,000
1930-31	1,723,000,000

That shows a decrease between the two years of $670,000,000. These figures tell the story. What do they prove? The following are the prices of various commodities in the west:

Commodity—	March, 1928 cents per lb.	March, 1932 cents per lb.
Butter fat	41	16

Mr. GOBEIL: That is not true.

Mr. McPHEE: It is true in western Canada.

	March, 1928 cents per lb	March, 1932 cents per lb.
Butter	42	15
	March, 1930 cents per lb.	March, 1932 cents per lb.
Pork	13	3
	cents per doz.	cents per doz.
Eggs	25	15

[Mr. McPhee.]

Some hon. MEMBERS: Where?

Mr. McPHEE: I am giving the figures for western Canada:

Beef: 13 cents per pound; 3½ cents per pound.

These figures tell the story of agricultural depression and the remedy is not the dole, but trade. Let us open up the channels of trade and prosperity will come back to the primary producers in the first place, the agriculturists. A week or ten days ago I had the pleasure, with other members of the House of Commons as guests of the Prime Minister (Mr. Bennett), to meet the Right Hon. Winston Churchill. It has been my good fortune to read most of the writings of Winston Churchill and most of his speeches. As a matter of practice I have memorized the striking passages in Mr. Churchill's writings as well as in those of others. There are in Winston Churchill's writings many such passages that would help my hon. friends across the floor. This one comes to my mind. It is contained in an address delivered by him to the people of Manchester not many years ago. True, it was before he became a political apostate. This is an extract from the address and I commend the words to the leader of the government because he referred to Mr. Churchill as one of the leading statesmen of the day. These words were addressed to the people of Manchester:

Why did you build your ship canal? Why did you spend fifteen millions in bringing the sea to touch the inland docks of your great city? Was it to block its mouth with the sand banks of obstructive tariffs or to choke its fairway with the stake nets of protection?

I will commend these words to the right hon. leader of the government.

Mr. COWAN (Long Lake): What does he say now?

Mr. McPHEE: My hon. friend asks: What does he say now? It sometimes happens men who are brought up properly in a political faith, later on in life for some reason best known to themselves, forsake the political god of their early days and go over to the Tory camp. Sometimes I am sure our Tory friends are glad of the acquisition to their ranks.

These figures which I have just given relative to the prices of farm products in Canada, bring my mind back to the election campaign of 1930. For the purposes of the record let me put on Hansard the promises of the leader of the government in connection with that campaign.

An hon. MEMBER: Give us something new.

Mr. McPHEE: An hon. member opposite says: Give us something new. These gems of the Prime Minister were ambrosia to my hon. friends' nostrils in 1930, and it is no fault of mine if they are effluvia to-day.

In Winnipeg, on June 8, 1930, the leader of the government (Mr. Bennett) used these words:

> Listen you agriculturists from the west and all the other parts of Canada—you who have been taught to mock at tariffs and applaud free trade—tell me, when did free trade fight for you? Tell me, when did free trade fight for you. You say tariffs are only for the manufacturers. I will make them fight for you as well. I will use them to blast a way into the markets that have been closed to you.

Speaking at Vancouver on June 18, 1930, he said:

> If Mr. Mackenzie King thinks I will not so build up our agricultural and industrial life that its strength will drive our products into the markets of the world, then he is wrong, for that I will do. If he thinks I will not establish new markets for these products, strive with all my heart to retain them, drive our products with all my power into new markets, into old markets, into reluctant markets, he is wrong. For that I will do.

In order to complete the picture all he needed to have said further was: "Come, unto me all ye that labour and are heavy laden and I will give you rest." In effect that is what he said and yet in the month of September, following the election, we had a special session of parliament at which the sum of $20,000,000 was voted for unemployment relief. Last year at the regular session of parliament the government received a blank cheque to spend whatever money they wished, and yet, after all this, unemployment in Canada has doubled in the last eighteen months. And then a few days ago we had the spectacle of a few hundred people who took the Prime Minister at his word in 1930 parading to these parliament buildings, the deliberative assembly of the people, and these same poor people who took the Prime Minister at his word in 1930 were met at the gates by men armed to the teeth. It was that kind of political enchantment that won the election for my right hon. friend in 1930. Never did fabled enchantress lure her unsuspecting victims with such effect as did my right hon. friend at that time. It was that kind of political effervescence which placed the primary producers of Canada, the agriculturists, the lumbermen, the fishermen, and the miners, in the hopeless position in which they find themselves to-day. I remember one cartoon which was put out by the Conservative party during the campaign. It showed a Canadian wheat field with Jack Canuck standing in the centre and with the then Prime Minister, now the right hon. leader of the opposition (Mr. Mackenzie King) standing to one side. Jack Canuck was saying to him: "What are you going to do with my wheat?"

Mr. ROWE: What did he do with it?

Mr. McPHEE: I will tell my hon. friend. At that time wheat was selling at $1.10 per bushel. One year later it was selling at 69 cents, and to-day it is selling at 46 cents per bushel. How about the new markets? How about the old markets and the reluctant markets?

I come to the matter of dairy products. Oh, the protective tariff so far as the dairymen of this country were concerned was going to be as a well of water to the thirsty soil. It was going to make the prairie provinces and the eastern townships of Quebec blossom as the vale of Sharon. I remember well that during the election campaign my opponent happened to be the manager of a creamery company, and he was supposed to know all about butter. If he had got into power with the right hon. gentleman he was going to smite the New Zealand treaty hip and thigh. So assiduously did the Conservative party carry on their propaganda against New Zealand butter and spread the doctrine of protection as a cure-all for the troubles of the dairymen, there were some even in my district who thought that the poor old female of the bovine species became influenced by it. I remember very well, Mr. Speaker, on the evening of the 28th of July, 1930, wending my way through the pleasing and pleasant countryside of the Yorkton district back to the city of Yorkton, there to learn the result of the battle of the ballots. I remember seeing many an old cow coming home a little earlier in the evening than usual to be milked, going by herself to the milking stool, lowing almost with tears in her eyes as she anticipated the increased reward for her labour when on the morning of the 29th of July, the buttermilk crew would be in charge of the ship of state of the Canadian nation. But oh, the great disillusionment, not only for the poor female of the bovine species but for the dairymen of Canada and for the business interests of this country. New Zealand retaliated with disastrous results so far as the industrialists of this country are concerned. No wonder that the farmers of Canada are now in dire need and require relief. It is because of the tariff juggling and manipulation of this government, and again I plead with my right hon. friend in all sincerity to get off the backs of the farmers of this country, and then prosperity will come to them.

I must hurry on as my time is almost up. I have here a voucher sent to me by a farmer in my district who lives fifteen miles from the city of Yorkton. He killed four steers and brought their hides to market, one hundred and sixty-eight pounds of hides. The best price he could get for these hides was one and a half cents per pound, and he could not even get cash for that. Here is the voucher, and I place these facts in all sincerity before my hon. friend the Minister of Agriculture (Mr. Weir). The credit side of the voucher shows 168 pounds of hides at 1½ cents per pound, $2.52; the debit side shows one pair of rubbers, $1.00; overalls $1.25; tobacco, 25 cents; credit, 2 cents. And yet the Minister of Agriculutre states that mixed farming is the hope of the west.

Mr. WEIR (Melfort): Would my hon. friend mind giving any authority at all for that statement?

Mr. McPHEE: Does my hon. friend deny that he made the statement?

Mr. WEIR (Melfort): I never made the statement.

Mr. McPHEE: I wish to be fair. I find this in the Winnipeg Tribune and also in the Ottawa Journal:

Toronto, February 1.—Mixed farming west's hope, claims Weir.

My hon. friend has a very efficient secretary, and if he has not brought this to the attention of the minister, I will pass the clipping over to him as I have not time to read it now, and then to-morrow he can deny it if he wishes.

Hon. gentlemen opposite now as ever claim that the present hard times have been brought about by influences other than those arising from the actions of this government. A few days ago I was going through Hansard to read the budget speeches of the various Ministers of Finance during the past fifteen or twenty years. Here is one striking passage from the benediction pronounced by Sir Henry Drayton, Minister of Finance in the government of the Right Hon. Arthur Meighen, and delivered after ten years of Conservative government in Canada under Sir Robert Borden and the Right Hon. Mr. Meighen. In the last budget speech delivered by a Conservative Minister of Finance previous to 1921, Sir Henry Drayton paints this picture in his peroration of May 9, 1921.

The world is sadly out of tune. May we help in restoring harmony. Trust and confidence are sadly lacking. Class interests are

[Mr. McPhee.]

advanced with selfish insistence. Unemployment is with us. Faith in our fellowmen is weakened. Doubt of the future is often voiced.

Those words, Mr. Speaker, are applicable to the present day. But listen. The next two lines are gems:

The sun still shines, the rivers still sparkle, our lands are as great and fruitful as ever—our resources just as vast.

Thank Heaven, Mr. Speaker, that the sun still shines and that the rivers still sparkle on their way to the sea. Thank Heaven that this government, and especially the right hon. gentleman who leads it, has nothing to do with the shining of the sun, because if he had, and he used the same mad-bull-in-a-china-shop methods with regard to things celestial as he does with respect to trade terrestrial there would be chaos in the firmament and darkness would be over the land.

My parting word, Mr. Speaker, as an elected representative in this house would be this: Let the government get off the backs of the farmers of Canada; let them get away from the stifling of trade, and then this great country will take its place among the nations of the earth that God Almighty intended it should take, by virtue of the almost illimitable natural resources that have been placed at our disposal.

Mr. ONESIME GAGNON (Dorchester): Mr. Speaker, I have listened with a great deal of interest to the speech made by the hon. member for Yorkton (Mr. McPhee), but I fail to see any connecting link between the legislation now before the house and butter or wheat. The hon. member has intimated that butter had something to do with our coming into power. That may be. I say however that the bread we are now giving to the poor through the legislation before the house will keep us in power.

I have listened with care to the speeches made by my hon. friends opposite, and I regret to say I have not been struck by their extreme moderation. This debate has lasted more than a week, and I am sorry to note that many hon. members have indulged in personal attacks against the leader of the government. May I, Mr. Speaker, pass in review some of the very pleasant compliments paid by hon. members opposite to the right hon. Prime Minister and his colleagues. The hon. member for Témiscouata (Mr. Pouliot) has referred to monkeys, and the hon. member for Quebec East (Mr. Lapointe) and ten or eleven of his followers have referred to the regime of the French revolution and have called our leader a despot and an autocrat. Last but not least the hon. member for Mel-

ville (Mr. Motherwell) called us collie dogs. After listening to such convincing arguments I am sure you sir, will be struck by the soundness of the constitutional doctrines propounded by hon. members opposite. I would certainly be surprised if you, sir, were not moved by their logic and consistency expressed in such glowing terms of admiration.

Having listened to them I cannot but remember that the depression we are passing through has shaken the whole world. In all countries political parties are confronted with a similar situation but they take different views as to the different questions at issue. In Great Britain I understand a by-election is being held in the county of Dumbartonshire, and on Saturday morning last the papers reported that Premier MacDonald had sent a letter to his standard bearer in which he said:

> Return to-day to partisan politics would shatter the foundations of confidence at home and abroad on which all the national services must rest.

These are the views of a real statesman. Everywhere in the overseas dominions, in Australia, in New Zealand political parties are trying to cooperate in order to achieve a return to prosperity and the end of unemployment. In the Free State of Ireland the elections are over and we hear with pleasure that Mr. Cosgrave is extending a friendly hand to Mr. De Valera. Should a foreigner visit Canada certainly he would be led to believe after reading the speeches of hon. members opposite, that an entirely different situation prevails here. He would be led to believe that here in Canada constitutional liberties are being crushed by the Conservative party; he would be led to believe that the people are oppressed, that the leaders of the opposition have been muzzled and representatives of the press imprisoned.

Why such violence of language, why such a display of literary indignation? Have the banks closed their doors? Has the Liberal party in Quebec repealed the famous Dillon bill and let the sixty election contestations be argued on their merits before the courts? Has the government refused to relieve the unemployed? Has the constitution been suspended? No, Mr. Speaker; no such unprecedented or unforeseen events have taken place. The government of the day, to comply with the numerous petitions they have received from all over Canada, has decided to give two months' further time to the municipalities and provinces to carry to completion their works of relief. That is the purport of the legislation this party is desirous to put through parliament; nothing else.

May I read the resolution?

> Resolved that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

That is all. That resolution is being moved to give bread to the needy and comfort them during the last days of winter. The other day the hon. members for Lake St. John (Mr. Duguay) and Champlain (Mr. Baribeau) told of petitions they had received from their constituents. I received a similar petition from the city of Levis, one from the city of Riviere du Loup in the constituency of my hon. friend from Témiscouata (Mr. Pouliot), and a telegram from Colonel Lavigueur, the mayor of Quebec, who was a distinguished member of this house, asking for an interview with the Prime Minister tomorrow morning to submit a similar petition with regard to the unemployed.

May I pass in review some events of the past with respect to unemployment? During the session of 1930 this parliament voted $20,000,000 for the relief of the unemployed. The critics on the opposition benches, in no mild terms, stated that that amount was not sufficient. During the session of 1931 hon. members opposite, especially the hon. members for Kenora-Rainy River (Mr. Heenan) and Winnipeg North Centre (Mr. Woodsworth) censured the government for doing nothing at all. Finally, realizing the situation was becoming worse and worse in Canada on account of the disastrous crop failures in Saskatchewan, and that conditions were tantamount to a national calamity, the government presented the bill from which came the Unemployment and Farm Relief Act of 1931 authorizing parliament to meet the emergency, and providing adequate measures to meet the lamentable situation the equal of which no parliament in the history of Canada had before to meet. Many hon. members to the extreme left of Mr. Speaker expressed their willingness to vote for the bill. It appears however that followers of the leader of the opposition had not yet emerged from the valley of humiliation and unfortunately for themselves expressed their willingness to vote against the measure.

But, Mr. Speaker, a by-election was to be held in the constituency of Three Rivers-St. Maurice, and general provincial elections were imminent in the province of Quebec. It was decided therefore by hon. gentlemen opposite to strike a great blow. Their legal advisers were hastily summoned, and after many hours of desperate juggling with constitutional precedents, they decided to resort

to the old cry, "Let us save the constitution." The cry of conscription was stale, so they had to resort to the cry, "Let us save the constitution."

For days, Mr. Speaker, this government has been assaulted and, by the hon. member for Winnipeg North Centre (Mr. Woodsworth) the Conservative leader has been compared with Lenin, while another eminent hon. member has compared him with Mussolini. Finally, however, at the last session of parliament, the Unemployment and Farm Relief Act of 1931 became law because it was necessary in the public interest as the only means to face the emergency. When it was adopted the election was in full swing in Three Rivers-St. Maurice, and the Liberal party decided to lead the attack on the government on that very question. The hon. member for Quebec East (Mr. Lapointe) and the hon. member for St. James (Mr. Rinfret) went there and denounced the so-called "blank cheque" legislation and the so-called "despotism" of our leader. A great battle was waged. In the course of his attack the hon. member for Quebec East referred to the French revolution, and gave to the electors of that constituency the first edition of the interesting speech he made in the house a few days ago. On a beautiful Sunday night at Shawinigan Falls he said:

> Parliament committed suicide for six months. It does not count for anything. Bennett has established in this country a real dictatorship. He leads by force. He is a true dictator. If Nero at the time of the Roman empire kept the people in misery and gave them bread and circuses to amuse them, Bennett gives them bread but gives it through force.

I quote those words from page 7 of La Presse, the great Liberal daily paper of Montreal, of Monday, August 3. A few minutes afterwards the hon. member added, speaking of the government and of Conservatives:

> They capitalize the sufferings of the people. The Tories are only the members of depression, the offspring of the crisis which is passing over the country.

These are samples of some of the mild expressions that were used by the hon. members opposite when attacking the government during the by-election at Three Rivers-St. Maurice. A very interesting speech was also made by the former Secretary of State, the hon. member for St. James. Explaining what was meant by the words "peace, order and good government" in the bill, he stated to the crowd that those words meant that Mr. Bennett wanted to impose that bill on parliament in order to revive conscription. He also stated that every attempt would be made by the government to curb the liberties of the people. But the humble Conservative members of this house, guided by their ministers from Quebec, went into the constituency and ventured to explain to the people the real purpose of the legislation, that it was presented to the house in order to give bread to the poor and the needy during the depression. They also stated in their humble way that the government was doing its very best to redeem its pledges, and that the Prime Minister had resorted to the legislation reluctantly because he deemed it was the only way to face the emergency.

The hon. members of the opposition, Mr. Speaker, were much more violent in Three Rivers than they have been in this house, but nevertheless the constituency of Three Rivers-St. Maurice, which for more than thirty years had never elected a Conservative, chose for its worthy representative an eminent lawyer who at one time had been the batonnier of the bar of this province, a true Conservative—my friend Mr. Charles Bourgeois. In that instance the province of Quebec gave parliament and this country unmistakable evidence of its good judgment and its political sagacity. It expressed its willingness to cooperate with the English-speaking people of the other provinces in order to solve the pressing problems which confront the government. The province also gave the Prime Minister testimony of its admiration and gratitude for the strenuous work he has been carrying on to save Canada from bankruptcy. The county of Three Rivers-St. Maurice expressed the real mind of Quebec, which hon. members—

Some hon. MEMBERS: Oh, oh.

Mr. GAGNON: —which hon. members opposite do not seem able to understand. The province of Quebec has always been ready to respond to any expressions of good will, and bonne entente. The province of Quebec has been deaf to the cry of conscription and despotism. The people of Quebec do not believe in appeals to passion and prejudice. The county of Three Rivers-St. Maurice gave a vote of confidence to the Prime Minister which did certainly console him for the base accusations that were heaped upon him by many members of the opposite party, and especially by the former Secretary of State (Mr. Rinfret) when he stated that the Prime Minister in his capacity of Minister of Finance proposed to amend the income tax in order to de-tax himself and his multi-millionaire friends thereby increasing the burdens on the shoulders of the poor.

Since the Three Rivers-St. Maurice by-election the Conservative party has done its

best to redeem its pledges to relieve unemployment by cooperating with the municipalities and with the various provincial governments all over Canada. In this respect millions have been spent and the credit of Canada has not been shaken. Owing to the devotion of the Solicitor General (Mr. Dupré) more than $5,000,000 have been put at the disposal of the district of Quebec for the relief of unemployment. I may not be endowed with the great vision with which hon. members opposite have been favoured, but I fail to see in the legislation voted last July all the evils which characterize a usurpation of power. This legislation is of a remedial character. Its object is to carry out a scheme of unemployment relief in cooperation with the municipalities and the provinces. Relief moneys have not been spent in the fanciful way depicted by hon. members of the opposition; many people had to be consulted. According to the regulations adopted by the Department of Labour, all requests for public works had first to be submitted to the municipal authorities, who discussed the measures and adopted the resolutions which afterwards were sent to the provincial authorities. The provincial authorities on the other hand made an investigation through their inspectors and sent a list of questions to the municipal councils with respect to the number of unemployed and the nature of the public works necessary to relieve unemployment. In short, Mr. Speaker, all relief measures have been thoroughly discussed and submitted to the people—first to the municipal council, secondly to the provincial authorities, and when the provincial authorities had come to an agreement with the municipal authorities, the proposals were submitted to the federal government. In no case has the federal government ever refused to comply with the requests of the provincial governments.

Now that I have stated how the relief scheme is operated, can it be said that the government is acting arbitrarily, despotically and extravagantly in the measures which it has taken to relieve unemployment? As I said a moment ago, Mr. Speaker, the federal government has never refused to comply with the requests of the provincial authorities, which requests sometimes, especially in Quebec, were submitted with a view to prejudice the Conservative party. The other day the hon. member for Labelle (Mr. Bourassa) denounced in the most emphatic way the partisanship which was displayed by the Liberal party in the spending of relief money in his county. I may say that in the county of Dorchester, which I have the honour to represent, the same situation existed. For instance, though a large number of municipalities and the county council of my county recommended to the provincial government the expenditure of $75,000 for the construction of a road, that recommendation was not approved because the provincial authorities did not want the credit to go to a certain extent to the Conservative member for Dorchester. But, while the provincial government thought it extravagant to build a good road for the use of the farmers, which would have provided work for about one thousand unemployed, that same government authorized the expenditure of $75,000 for the construction of a zoological garden near the city of Quebec. I am not opposed to the construction of this garden, which will prove an asset to the province and to the county of Quebec-Montmorency in which it is situated, but why should the provincial government refuse to spend $75,000 for a road which would give bread to the poor farmers while they consent to the diversion of $75,000 of relief money to provide a shelter for animals? I give that example, Mr. Speaker, not in a spirit of criticism but only to show that the federal authorities have never put obstacles in the way of provincial authorities. They have accepted even such schemes as the one to which I have referred, which may be considered rather a doubtful way to relieve unemployment.

Coming back to the constitutional issue raised by the hon. member for Quebec East (Mr. Lapointe), I agree that legislation by order in council in ordinary circumstances ought to be resorted to only in cases of necessity, but the Prime Minister stated in this house that he assumed this power reluctantly and only because we were facing a national calamity, and he and his colleagues knew of no other way to deal with the situation. In the past the great Liberal party has resorted to that method. We all remember the election of December, 1921, when the issue of conscription was raised in Quebec. The ministers were sworn in some time in January, 1922, and early in February the hon. member for Quebec East, who was Minister of Marine, by order in council transferred the entire administration of fisheries in the province of Quebec to the government of the province without receiving the authority of parliament. Does my hon. friend think that, when one morning the Canadian government learned with great surprise that England was off the gold standard, the government should have waited fifteen days to call a special session of parliament to pass the necessary legislation? That would

not have been a wise thing to do. The Prime Minister could deal with the situation instantly, because he was given the necessary powers during the last session of parliament. The hon. member might agree that in this instance we could cite the old axiom "Gouverner, c'est prévoir." The Prime Minister would not have been the statesman he is if he had not foreseen, when the bill was before the house last year, that the time might come when such power would be needed, and I am not surprised that our Liberal friends are dissatisfied because the government is doing so well in keeping Canada in safety.

Perhaps it would be refreshing for all of us to find in the speeches of hon. members opposite good reasons for holding to the stand we have taken. Speaking in Quebec, when the election in Three Rivers-St. Maurice was proceeding, the hon. member for Quebec East condemned the remedial legislation passed last year with regard to unemployment. He eloquently appealed to the passions of the masses, and among other things he said:

"What can be said about those who have just voted $15,000,000 to give a premium on wheat to the western farmers, when they do not give a cent to the Quebec farmers whose butter does not sell?"

The hon. member does not deny having made that statement; he repeated it in Three Rivers, and it went all over the province during the campaign. I have great admiration for the hon. member for Quebec East, and I must say that he is faithful to the doctrines he has often enunciated in the province of Quebec during elections, and he has been faithful to the tactics of his party and orators who are accustomed during election times to arouse province against province and race against race. The hon. member is too wise to repeat those words in this house or in western Canada.

There is no doubt, Mr. Speaker, that the farmers of Quebec are suffering, but they are not unmindful of the sad plight of the farmers of the west. We members from Quebec, however, are handicapped in our efforts to aid the farmers by such statements as those made by Mr. Taschereau at St. Raymond on June 15 last, when he said:

> It is agreeable for me to be able to say to the people that we are able to help the province without compelling it to fall in debt. When Ottawa is found with a deficit of $75,000,000, and facing a deficit of $105,000,000 for the current year; when Ontario and the other provinces of the west are bankrupt, the province of Quebec has a surplus of $5,000,000.

In 1930 Mr. Taschereau stated there was no unemployment in Quebec; in 1931, by the words I have just quoted, he implied that his province did not need any help from Ottawa. A few days ago, when the governments of all provinces were asking civil servants to accept reduced wages, the premier of Quebec said that the credit of the province of Quebec was still good, suggesting thereby that it was not necessary to practise economy. I say to the hon. member for Quebec East and his friends sitting opposite that we do not receive any cooperation whatever from the Quebec government. How can we tell the leaders of this government that the farmers of Quebec are ruined while the premier of that province boasts of a surplus of $5,000,000? When the hon. member for Quebec East spoke in Quebec on August 7, Mr. Taschereau was present, and he cheered the remarks of my hon. friend. What logic! what consistency! The hon. member for Quebec East, during the course of his eloquent speech, said "Bennett does nothing for Quebec," while Mr. Taschereau says "We do not want any help from Ottawa." I ask you, Mr. Speaker, which of the two leaders voices the sentiments of the province of Quebec?

I have a great liking for the hon. member for Quebec East; but I would like to refer to another part of his famous speech delivered in the city of Quebec on August 7 last. Speaking of the remedial legislation of 1931, he denounced the so-called autocracy of our chief and the wickedness of our policy. In referring to the Unemployment and Farm Relief Act he said that the hon. member for Winnipeg North Centre (Mr. Woodsworth) referred to it as being sovietism, the hon. member for Labelle (Mr. Bourassa) referred to it as being fascism, and he added "I call it Bennettism, which is a mixture of fascism and sovietism."

Some hon. MEMBERS: Oh, oh.

Mr. GAGNON: I am not surprised at hearing hon. members opposite cheer the words of their leader. Unfortunately some of them cheer too often when the word "sovietism" is mentioned in this house. I ask myself if the great Liberal party of Canada will not, as has the Liberal party in England, some day fall into sovietism and communism. Now, with all due respect to the hon. member for Quebec East, I contend that he was wrong when he tried to associate two contradictory terms such as sovietism and fascism. A study of what is going on in Germany, Japan, China and Russia will convince one that some day we may have to choose between sovietism and fascism. Speaking for myself and for my friends on this side of the house, I prefer Bennettism, because in these days of struggle

and strenuous efforts our chief symbolizes the aspirations of the younger generation of Canada.

The young men and women of Canada are fed up with party politics as they have been played during the past eight days. More than fifty speeches have been delivered from the other side in order to prevent this government granting an additional sixty days to the municipalities and provinces to complete the works started to assist the unemployed. The young men and women of Canada are disgusted to hear hon. gentlemen opposite say, when we happen to laugh in this house for one reason or another, that we on this side are laughing at the sufferings of the people. They are amazed at seeing the leader of what was once a great party take thirty-one minutes of the time of this house to define the word "humbug" and eighteen minutes to define the word "demagogue". The young men and women are disgusted with such practices; they want men, they want leaders, they want action, they want order, discipline and security and this party is the only instrument whereby they can get what they hope for. The name of the Prime Minister Bennett forever will be associated in history with order, discipline and security. It will always be associated with the slogan "Canada First". "Canada First" has been proclaimed in Westminster as well as in Quebec city, Toronto, Montreal and Winnipeg, and that will be the rallying cry of our party. The words "Canada First" embody all our social, economic and political aspirations. Because young men and women in Canada, love order, peace, discipline and security, they love Bennett, they follow him. And they follow Bennett because they love Canada.

Mr. E. J. GARLAND (Bow River): Mr. Speaker, I do not propose to follow the last speaker in the amiable attempt he made to bring harmony into party strife. In his condemnation of party politics I am afraid he overlooked the fact that in the delivery of his speech in which he sought to castigate the party system he himself was possibly one of the most guilty. I wholly agree with him that there is nothing so futile or stupid as an attempt to carry on the public business under a party system which has shown that it is more interested in inter-party strife than in the affairs of the country. The last orator—I think I am entitled to call him that, for I have seldom heard such a flow of words from the lips of any hon. gentleman; showed his talent in excellently-studied language—was describing Bennettism. If I were one of his race and a member of his party I think I should attempt to describe the present proposed legislation as an attempt to induce this House of Commons to give its "Bennettiction" to the laying of the corpse of constitutional liberty and of custom long established and approved. However, I do not think that language of that kind can be fittingly applied to this question.

There are several reasons why both sides of this house should not support the proposed introduction of the measure suggested. First, this resolution asks for greater powers than have ever been asked for in this House of Commons since the day it first exercised its functions as such. It asks for greater powers than were granted under the War Measures Act; it asks for greater powers than were granted under the war appropriations acts, in fact it asks for greater powers than were granted by all these acts combined. The second reason I have for objecting is that the procedure followed is utterly unnecessary. Parliament is sitting, as has been said time and time again; I simply repeat that in passing.

The Minister of Trade and Commerce (Mr. Stevens) defended the introduction and passage of this measure last year on the ground that we were about to prorogue and that an emergency faced both agriculture and labour. He stated that these matters could be dealt with in the intervening period only by the passage of legislation such as this. I disliked it and I disapproved of it last year; when I spoke on the question I pointed out that the introduction of the measure had been made necessary by neglect on the part of the administration to make the necessary plans and preparations to meet a crisis of which it had been forewarned during the earlier part of the session. We knew it was coming; it was inevitable and nothing could stop it. Yet the present government delayed taking action until the closing days of the session, when it placed this proposal before us and demanded that it be given the most amazing and extraordinary powers with regard to the voting of moneys and any other legislative action it might desire to take.

The third reason why I oppose this measure is that unquestionably it is an attempt on the part of the administration, supported by a supine majority, to take away from parliament the rights and duties which we have sworn to undertake. I am quite willing to admit at the outset that the unemployed man who is hungry and cold is not interested in constitutional questions. Heaven knows, there are many of these men. We have heard the protestations of hon. gentlemen opposite,

we have heard of the statements of Mr. Taschereau, but nevertheless it is a fact that the misery which exists from coast to coast is heartrending. The farmer in the west who is facing the crisis of supplying himself with seed when he has no money, of financing repairs to machinery and the preparation of the land, is not interested in the constitutional aspect of this matter. But that does not relieve us as members, their representatives in the House of Commons, of the obligation of observing our sworn duty and it is not our part, whilst parliament is sitting, to relinquish into the hands of an executive the power that parliament alone should exercise.

The struggle for this very liberty that we have to-day is not of contemporary history. It stretches away back for hundreds of years. If a student looks the matter up he will find that it is 635 years ago when the right of parliament to grant moneys to the crown was first determined under statute 25 of the reign of Edward I in 1297. The language used in that Confirmatio chartarum is:

> No aids, tasks and prizes are to be taken except by the common consent of the realm and for the common profit.

Thenceforth the crown asked parliament for the assent of the nation to its financial proposals. There were of course, one or two attempts on the part of the crown, as there is on the part of the present administration, to usurp that right and it was not really until 1407, or 525 years ago, that the definite principle that all money bills must originate in the commons, was first established. Then the powers of the commons slowly expanded under parliamentary practice and procedure, generation by generation, parliament by parliament, in spite of the stubborn, almost rigid opposition by Conservatives in those days, just as to-day. It was not until several centuries had elapsed that the practice of setting up committees of supply and committees of ways and means was established. The reason for the setting up of those committees was that they might determine first the amounts of money that parliament was to be called upon by the administration to vote, and, second, the destination of the amounts. Only by those two methods has parliament a certain control over the amounts and their destination. It is true that under Public Accounts, established about the same time, we can ascertain afterwards the character of the expenditure of the money. Let me put the matter in this way: Anson, in his Law and Custom of the Constitution, has clearly indicated that in recent generations the power of parliament is steadily being encroached upon by the cabinet, age by age and parliament by parliament. At pages 133 to 135 of volume 2 he uses this language:

> "The modern rules of procedure and the closure place both business and discussion in the hands of the cabinet." . . . Hence the Commons have become dependent on the cabinet, rather than the other way round, and a threat by the cabinet to dissolve parliament may command the continued support of a working majority long after the Commons has ceased to really represent the political opinions of the country.

Now we come to this particular case. If you turn back the pages you will find that in volume one of this book he indicates the last five remaining measures of control that parliament has over the executive. The third of these, which is relevant to this discussion, is as follows:

> The Commons exercises control over the executive as to spending departments, by committee of supply to vote money, by committee of ways and means to raise money.

Now the effect of this legislation will be to remove from us the power to consider in committee of supply the amounts to be voted, nor shall we be able to determine the destination of the vote. Last session it was indicated to the house—and many of us gullibly believed it—that this money was to be voted for farm relief and for unemployment relief. I was astonished when the Minister of Trade and Commerce (Mr. Stevens) spoke, that he did not, in discussing the orders in council, appear to be seized of the fact that the government did not live up to that understanding, but diverted sums of money to other purposes than either farm or unemployment relief. There is no question they had power to do that, but we had no understanding that that was their purpose, and if in the absence of understanding they were guilty of so much in one year, of what may they not be guilty if we renew that vast power to them? The Minister of Trade and Commerce mentioned the orders in council; he disposed of them with an airy, discursive statement in respect thereto, and asked the general question: Was it not all in the best interests of the country? Did anybody suffer by it? That is not the question. It is as to the powers to be exercised under legislation of this character. While parliament is sitting, parliament has no right—and I say this advisedly—in the face of its sworn obligation to do its duty in respect to certain matters, to delegate to an executive the power to legislate. The power to legislate as well as the power to vote money is inherent in parliament itself, and while it is sitting, it cannot, constitutionally, without doing violence

to the oath of office taken individually by its members, delegate such powers to the executive.

In respect to one of these orders in council, the last one mentioned by the Minister of Trade and Commerce, I wish to make some comments. I find that on the 16th December, 1931, the executive, the governor in council, passed an order in council diverting moneys to the establishing of an additional number of Royal Canadian Mounted Police. The Minister of Trade and Commerce said 200, but I think that must have been a slip on his part. He does not often make slips like that, but as a matter of fact the number was 300, or an increase of one-third. Then he argued that this order in council was made necessary by an agreement entered into by Alberta and another province in respect of policing. I challenge the hon. gentleman in that regard. This order in council was passed on the 16th December, 1931, and no agreement, even with Alberta, was entered into until the end of January, 1932.

Mr. BEAUBIEN: And no agreement with Manitoba was contemplated at that time.

Mr. GARLAND (Bow River): I am now informed that no agreement with Manitoba was even contemplated at that time. I say to the Minister of Trade and Commerce and to the house, that this order in council does not indicate in any way anything that would justify his allegation that it was for the policing of Alberta or any other province. The fact is, as he must know, that it was for the purpose of increasing the personnel of the Royal Canadian Mounted Police under the jurisdiction of this administration. The money diverted amounts to quite a sum, more than a quarter of a million dollars diverted to the addition of 300 men to the force and, amongst other things, to the purchase of bombs, riot equipment. Imagine money alleged to be voted for the purpose of unemployment and farm relief being diverted, as we now find, to the purchase of riot equipment, bombs, artillery, ammunition, additional horses, including $1,750 to pay twenty special agents! Another item is $20,000 of unemployment relief funds used for the general expenses of secret investigations by the police force. That may all be justified, but it certainly was not what parliament was led to believe last year. This type of legislation by order in council is unjustifiable, and it should always be submitted to parliament. Above all others, a type of legislation involving the peace, order and good government of Canada should be submitted to parliament itself.

I said a moment ago that this statute would give to the executive greater powers than had ever been given to any executive in the country before. I say it advisedly. I challenge hon. gentlemen to study the War Appropriation Act where some $50,000,000 was voted, and the amount was stated definitely, for past appropriations made by governor generals' warrants for requirements prior to the sitting of parliament.

The next is the War Measures Act. It did not give the government of the day any right whatever to appropriate sums of money for war purposes, not one cent. Not even during the war crisis, the greatest with which this country was ever faced—not excepting the present one, although this closely parallels it so far as suffering is concerned—was the House of Commons asked to divest itself of constitutional customs. All the appropriations for the carrying on of the war were voted in the estimates annually and discussed by this house annually.

Sir EUGENE FISET: Under the name of war appropriations.

Mr. GARLAND (Bow River): Exactly, and the fullest discussion was afforded before the money was voted except in regard to the war appropriations bill, which was for commitments entered upon prior to the sitting of parliament.

When the Prime Minister spoke the other day he made a very good case. He spoke eloquently, as he always does, and signified that we ought to be proud of the fact that under the act of last session work had been provided to something over three hundred thousand men. They had been provided with six million hours of work. It sounded splendid. The Prime Minister said six million hours. I am sure he must have been mistaken. He possibly meant six million days, but I take the statement as recorded in Hansard and as I heard him say it. Six million hours' work for three hundred thousand men gives them exactly twenty hours' work during the six months period of operation of the act that we were being asked to consider. At the rate of thirty cents per hour, which is the rate paid in part of my province, twenty hours' work gives them six dollars for six months' work. That is something that we ought to be very proud of! May I say right now that if I have any complaint in regard to the unemployment relief scheme it is certainly not on the ground of extravagance on the part of the government, but on the ground that the government has not taken the neces-

sary measures adequately to deal with unemployment throughout the various municipalities of this country.

The Prime Minister then went on to discuss the Saskatchewan farm relief emergency, and again pointed with pride to the fact that three hundred thousand persons had been fed plain but ample food—that is his own language; had been provided with fuel, and in addition to both those, with medical care. All three had been, he stated, adequately provided. I am prepared to accept his word as I would that of any hon. member of this house, but let us analyze that statement. It means, with a total cost of $5,250,000, which was the amount stated, the sum of $17 per person for a period of six months, or 72 cents per week per person. That is, adequate food, adequate fuel, and adequate medical care was provided at a cost of 72 cents per person per week. My benediction, Mr. Speaker, on efficiency of that kind, and if that can be done throughout the country there certainly will be no criticism from me in regard thereto. The point I wish to make in that regard is that I would like to have the matter further discussed. I would like to find out the exact measure of relief that was extended to those districts, and whether it really was adequate as the Prime Minister would persuade us to believe. I will say this, however, that whether it was adequate or inadequate, we in the province of Alberta feel that we have a distinct grievance in regard to this matter. There are districts in Alberta suffering as acutely as any of the acute drought-stricken districts in Saskatchewan. Reading the Prime Minister's statement and listening to him the other day I would gather that the province of Alberta, having made a careful survey of the situation, was satisfied that $140,000 was sufficient to take care of immediate requirements; that that is what they asked for. Is that correct? If the Prime Minister intended to say that that is all the province asked for and that it is satisfied with that amount, the statement is grossly misleading. The province is not satisfied with that. I have a telegram here from the Minister of Agriculture of the province of Alberta dated March 8, 1932, similar to telegrams which have been quoted by hon. members from other provinces:

> Following wire to Minister Agriculture sets out our position relative seed grain.
>
> Have been obliged make arrangements to assemble required amount seed grain for distribution dry area.
>
> Having regard burden now thrown upon municipalities and provincial government respectfully urge dominion should assume one-third freight rates and one-third loss to municipalities resulting from such distribution.

[Mr. E. J. Garland.]

I understand that so far no satisfactory action has been taken by this government to meet the requests of the province in that regard. This is dire necessity in the province of Alberta. This need must be met. The government of the province of Alberta has asked this government to grant to certain areas in the province affected in exactly the same way as certain areas in the province of Saskatchewan just the same treatment as is being meted out to Saskatchewan, and we have been refused. This government has not indicated its willingness to treat certain areas in the province of Alberta, involving an area twelve or fourteen municipalities in extent—I am speaking from memory—in the same way that it has been treating like districts in the province of Saskatchewan. We do ask the government—I petition the Minister of Agriculture myself—that at the first opportunity he take this matter up.

Mr. WEIR (Melfort): I do not wish to interrupt, but Alberta has been given exactly the same opportunity.

Mr. GARLAND (Bow River): My information is to the contrary. I had a meeting with the cabinet in Alberta in January last, and both the Premier and the Minister of Agriculture of the province asked me to see that the matter was brought to the attention of the minister. I spoke to him the other day about it, urging that exactly the same measure of relief, that is one hundred per cent federal liability, should be assumed by the federal government in respect of certain areas in Alberta which were in precisely the same position as certain drought-stricken areas in Saskatchewan. I ask the Minister of Agriculture, is his government prepared to take upon its shoulders the burdens of paying one hundred per cent relief in the areas I have mentioned in Alberta on the same basis on which it is giving relief now in Saskatchewan? I pause for a reply.

Mr. WEIR (Melfort): My understanding is that the Prime Minister met the government of Alberta in Edmonton and asked them the very definite question, had they any area with similar conditions to those prevailing in the seventy-six municipalities area in Saskatchewan, and that their answer was no. When I met them later on in the year they gave me the same word.

Mr. GARLAND (Bow River): What time was this?

Mr. WEIR (Melfort): September or October.

Mr. GARLAND (Bow River): At my interview with them in January I was informed to the contrary. Will the minister say that he has received no communication from the Minister of Agriculture or the Premier of Alberta during this winter asking for the application of one hundred per cent federal relief to certain areas in the province of Alberta?

Mr. WEIR (Melfort): There have been no requests such as that so far as I am aware.

Mr. GARLAND (Bow River): I have been informed that such requests have been sent in to the minister, but I unhesitatingly accept his word. I shall ascertain from the provincial government at the first opportunity their position in respect thereto. But on my own behalf I urge now on the administration, from my knowledge of the conditions that exist in the southern half of my own riding, in a large portion of the riding of my hon. friend from Acadia (Mr. Gardiner), and in the riding of my hon. friend from Medicine Hat (Mr. Gershaw), that exactly the same terms of relief be extended to us, because certain municipalities are utterly unable to finance their share of the crop requirements.

I will give to the minister one or two statements in that regard. Perhaps one will be ample. I received this statement from the municipality of Blackfoot, No. 218, in a letter dated February 25:

> The finances of this municipal district are in poor condition on account of uncollected taxes, and whereas the conditions are such that it has become impossible for the taxpayer to pay higher taxes, therefore be it resolved that this municipality can give no financial assistance to the financing of seed grain and feed this coming spring.
>
> Certified copy of resolution passed by the council of the municipal district of Blackfoot, No. 218.

I have received a very great number of statements describing conditions not exactly in the same language but very similar, from almost every part of my riding. They have suffered three successive years from crop failures. In each of those years the prices were so low that the receipts were not equal to the costs of production. A letter from one of the districts in question might be in order:

> The conditions in the Hussar and Chancellor districts are very bad. At a recent meeting of the Hussar U.F.A. local attended by 40 farmers, only seven—
>
> Remember, only seven.
>
> —had their seed for this year.
>
> The farmers of this district who have had no crop for three years fully expected the federal government to grant us a measure of relief, even if it was only enough to get our seed and feed or fuel for the tractors, as no one has any credit; in fact the bank has been closed up.
>
> There is some talk of just letting the land ready for crop go unseeded.

My hon. friend from Yorkton (Mr. McPhee) quoted prices. I think in our district we could surpass the horrible state of price levels he described. Eggs are selling at 12 to 16 cents per dozen, butter at 15 cents per pound, the best cattle at 4 cents per pound and poultry at 6 or 7 cents per pound. Letter after letter brings stories of that kind to my desk. The government is well conversant with the recent crash in the live stock market which has rendered very pitiful the state of many of our people in the west. One of them states that since July 31, nearly 100 rural telephones have been withdrawn from operation in the Vulcan district. That is merely an indication of conditions. The letter from Vulcan states:

> I believe there are not many who have paid their taxes in the past two years.

Another letter states:

> Most everyone is on relief or trying to get there. Several farmers had to move their stock out of the district last fall.

Through lack of feed. Another letter states:

> From what I can gather, practically no one has paid taxes.

Another:

> Practically everything else has been sacrificed to make possible clothing ourselves and eating. Even then a great deal of Red Cross aid has been necessary. Many are without seed, and for those who have to buy it Mr. Bennett's bonus has worked an additional hardship.

From Wayne I received the following:

> I personally have farmed for forty years and have not seen anything like compared to that we are going through now. The banks refuse to assist. I only see one way out of it, and that is the farmers will have to quit.
>
> Just as an example: I met a man yesterday and talked over the matter and he told me that he would not be able to treat his grain with formaldehyde because he did not have any cash to buy it.

From Rosebud comes the following:

> I know of two cases, one a neighbor with five children who are trying to live on the proceeds of a three-gallon can of cream a week probably worth $1.30. The other has nothing; I do not know how he exists. Everyone is up against it; I do not see how they can get their crop in. You hear on every side, "If I had my debts paid I would get out of here." In this district we were able to dig coal or else there would have been terrible suffering. The people are desperate in their feelings. They seem to see no hope ahead.

From Swalwell district, a district which until recent years has been fairly prosperous and in which there are many excellent farms, such as those described by the Prime Minister, comes the following:

No words of mine can describe the hopeless conditions which the people of this western country are facing. They are not living, but leading an existence; everything has to be sold at a loss.

I have no desire, Mr. Speaker, to prolong the discussion. I do submit to the government, however, that its duties extend to the districts I have mentioned just as urgently and as definitely as to the areas in the province of Saskatchewan to which reference has been made.

I know the Minister of Agriculture is not unsympathetic, and I say to him that in the southern half of my constituency, due to the inability to supply proper food and clothing, there has been a considerable increase in minor ailments, many of which may lead to serious complaints such as tuberculosis, pneumonia and so on. For years the doctors in those areas have not been properly paid. I have before me some very harrowing letters from doctors in that connection. I ask that adequate provision be made for the medical care of these people who are suffering under present conditions not only tremendous losses but dire destitution. A doctor in one of these districts writes me as follows:

Next door to me a child was prostrated with double lobar pneumonia. The widowed mother who was receiving government aid applied to the village authorities for medical treatment for her child. The village council refused. She was already owing me over $100 for past services, and did not call me. However as soon as I heard of the case I went without being called. Now 99 per cent of all our patients, not mine particularly, are cases of destitution. How is a local doctor to stand the financial strain of treating all these cases?

In one of his communications this doctor gave me facts relating to amounts of remuneration he had been able to receive during the last year, and I believe the figures would astonish the house. In May 1930 his earnings were $126 and his receipts only $12.50; in May 1931 his earnings were $400, and his receipts only $77.50. Hon. members will notice the increase in calls for his services. In June 1930 his earnings were $187, and his actual receipts $27.50. In June 1931 his earnings were $298.50 and his receipts $8.50. Nothing could indicate more definitely the very serious condition of affairs in so far as the physical health of the people in those districts is concerned.

I do not need to stress that point further, but I am satisfied the matter deserves the particular attention of the minister. The doctor to which I have referred writes further:

My practice, which means greater expense on my pocket book, has increased perceptibly, while my receipts have decreased more rapidly.

Further on he states:

The question is cannot something be done for the struggling, self-denying, starving, philanthropic rural physicians whose services cannot be dispensed with by the poor impoverished settlers of those drought areas of western Canada. We have appealed to the municipal and provincial authorities, but they claim they are financially unable to help us, while they recognize that widespread indigency is the rule now and not the exception as it was a few years ago.

That, Mr. Speaker, is the position. I could amplify the statements made by the hon. member for Yorkton; if I were permitted to do so I could talk from now until six o'clock concerning those conditions. I wonder if hon. members realize that between the years 1929 and 1931 there has been a decline in the price received by the wheat growers for their product of $360,000,000. Between the years 1930 and 1931, one year only, there was a decline of $202,000,000. So the story goes. I pick up another extract which is as follows:

With 2,000,000 pounds of creamery butter awaiting export in western Canada, probability is that the present record low price for butter fat, 12 cents a pound, will fall still further, according to H. S. Brockner, sales manager of the Alberta Dairy Pool Limited.

I have a clipping before me taken from the Calgary Herald, a daily newspaper very friendly to this ministry. It is as follows:

Three Hills, Feb. 23.—Further examples of the topsy turvy condition of the markets have been given by local farmers. Recently a farmer shipped a case containing 21 fine pullets to Calgary. Eight of these weighed 30 pounds and graded No. 2. They brought him the munificent sum of $1.50, being five cents per pound. The remainder of the shipment, weighing 33 pounds, was marked "no value."

The freight charge on the whole shipment was $1.50, and the other charges were 25 cents, so the adventurous shipper was out 25 cents. He lost his 21 pullets and suffered 25 cents loss.

Another story is told of a farmer who shipped 160 pounds of wool for sale and received a three-cent postage stamp in return. He was lucky compared to another who shipped wool and did not get enough returns to pay shipping charges. It would be interesting to know who got the pullets—and at what price. Also who got the wool—and at what price.

Three years of crop failures have brought about these pitiful conditions. A correspondent from Standard writes:

The five cent bonus on wheat gives to the man who doesn't need it, and the man who needs it the most gets nothing. For example a man with a 40 bushel per acre crop gets $2 per acre bonus, a man with no crop at all gets

nothing. That kind of legislation is more suggestive of the deliberations of the inmates from an insane asylum than from a legislative assembly.

This writer states that 156 parcels of land in the Blackfoot municipal district will be up for sale for arrears of taxes on March 29, 1932. Frankly I do not think it will be any use offering that land for sale, for it will be merely a formality—you cannot sell land out there. The Bureau of Statistics shows the price of land over all Canada has dropped $10 an acre in four years.

No words of mine, Mr. Speaker, could exaggerate the gravity of agricultural conditions, and indeed of unemployment conditions, in this country. I heard that eloquent orator from Dorchester (Mr. Gagnon) discussing the absence of any real emergency or crisis of unemployment in the province of Quebec. On another occasion I will give him some facts in that connection which may disabuse his optimistic mind of the opinions he now holds.

I will take such measures as will provide for the giving of work to every man and women in this country prepared to work.

We know the source from which that statement comes, and we also know that at the present time the expense apparently of providing work is so great that there is a likelihood that the actual relief programs will be stopped, and that from now on a measure of dole—if you like to call it that; it is no disgrace—will be administered. Hon. gentlemen opposite are inclined at times to discredit the dole. Personally I prefer work, it is far, far, better for the character of our people, but if it is found to be impossible for this government to finance any further relief works, the dole is the only alternative. Of course it would not be impossible if they would adopt some of the proposals suggested by members in this corner of the house, but unfortunately the government will not sweep aside the orthodox rules of finance. If they would do so, it would take them more quickly out of the bog than anything they have in their minds at the present time. In the absence of any disposition on their part to discard orthodoxy, there is no other course open to them than to cut down expenditure on the relief works that were provided, as they declare, to preserve the morale of the people of this country and supply needed relief.

I say to you, Mr. Speaker, that in addition to the points I have already mentioned, I regard the introduction of this measure as utterly inexcusable unless in the event of war or famine. We have no war in this country, unless it be, as someone suggested to me the other day, a class war. If the government recognizes that it is now, or may be, confronted with a class war, then possibly on that ground it can justify this astonishing legislation. The government will not assert that. But it admits that condition by increasing the police force, by keeping up the morale of the naval and military forces by not cutting their salaries, and by maintaining the judiciary in good spirits by not reducing their salaries. The police, naval, army and judicial forces are favoured—the story is plain for those who would read.

In closing, Mr. Speaker, I suggest that a condition of war does not exist. Nor can it be argued by anybody that a condition of famine exists in this country. A condition of shortage does exist in certain territories, which condition can be met with our adequate transportation facilities and our vast supplies of goods. Therefore I am definitely opposed to this measure. I will vote against the resolution, and I will vote against the bill when it is introduced.

Hon. J. C. ELLIOTT (West Middlesex): I desire, Mr. Speaker, to make a few observations on the resolution which is now under consideration. First of all may I express my regret that the right hon. Prime Minister (Mr. Bennett) and the members of his cabinet did not see their way clear to accept the proposition which was made by my right hon. leader (Mr. Mackenzie King), that to meet the purposes of unemployment and farm relief a supply bill should be brought down. Had that been done, members on this side of the house would have cooperated to the fullest extent to facilitate the passage of the bill at the earliest possible moment. That, to a large extent, is the issue, and it is the reason for the discussion which has taken place during the past week. We all regret the very serious economic condition throughout the country, and it is a pity that the government has not taken such a course as would have enabled every member to discharge what I submit is his first duty to his constituents—the consideration in committee of supply of estimates to meet the urgent necessities of the country.

The hon. Minister of Trade and Commerce (Mr. Stevens) eloquently and ably defended the system of relief in operation in Saskatchewan during the past year, and dilated upon the excellent manner in which the Saskatchewan Relief Commission had discharged its duties. While he was pronouncing those eulogies I could not help thinking what an

excellent thing it would have been for the country as a whole if a commission had functioned for the whole dominion.

I am glad to see some of our Ontario ministers in their seats. I must add my protest to that so forcibly expressed by the hon. member for Bow River (Mr. Garland). It has been my privilege for a good many years to be very actively identified with the farmers of the province of Ontario, and I deeply regret to say that I have seen more real financial distress among the very best farmers of this province in the last six months than during all the years that I have had the privilege of doing business for a great many of them. The situation has become much more serious since this government has been in power. About the only effect the actions of this government have had on the farmers in Ontario has been to increase the spread between what they have to pay for the things they buy and what they receive for the things they sell. About the only way they have been affected by the present government has been by the increases in tariff, which have been made as a part of this relief, and I want to say very seriously to the members of the government that it has brought anything but relief to the farmers of Ontario. The spread between the price they pay for what they buy, and the price they get for what they sell has greatly increased.

Mr. ROSS: No, no.

Mr. ELLIOTT: My hon. friend will have an opportunity to speak later on; I am only going to take a few minutes of the time of the house. I think if he were more familiar with what is going on in the farming districts of Ontario he would not even interrupt when I say how serious these conditions have become.

What is the primary duty of a man sent to parliament to represent a constituency? May, who is one of the great authorities on parliamentary procedure and practice, in his rules of procedure, thirteenth edition, at page 64, says:

> The most important power vested in any branch of the legislature is the right of imposing taxes upon the people and of voting money for the exigencies of the public service. The exercise of this right by the commons is practically a law for the annual meeting of parliament for the redress of grievances; and it may also be said to give to the commons the chief authority in the state.

Then there is the old standard authority, with which your honour is very familiar and on which most of your decisions are based; I refer to Bourinot, who says at page 415 of the fourth edition:

[Mr. Elliott.]

> One of the principal purposes of the House of Commons is the consideration and criticism of the estimates and the taxes required to meet the public expenditures.

At page 404 he states:

> The most important of the committees of the whole house, in the commons, are those of supply and ways and means. . . .
>
> The rules of the house with respect to the expenditure of public money and the impositions of burthens upon the people are in conformity with the practice of its English prototype. All the checks and guards which the wisdom of English parliamentarians has imposed in the course of centuries upon public expenditures now exist in their full force in the parliament of the dominion. The cardinal principle, which underlies all parliamentary rules and constitutional provisions with respect to money grants and public taxes is this—when burthens are to be imposed on the people, every opportunity must be given for free and frequent discussion, so that parliament may not, by sudden and hasty votes, incur any expenses, or be induced to approve of measures, which may entail heavy and lasting burthens upon the country. Hence it is ordered that the crown must first come down with a recommendation whenever the government finds it necessary to incur a public expenditure, and that there should be full consideration of the matter in committee and in the house, so that no member may be forced to come to a hasty decision, but that every one may have abundant opportunities afforded him of stating his reasons for supporting or opposing the proposed grant.

The main purpose for which we are assembled at the present time, Mr. Speaker, is ourselves to do the very things which we are asked to delegate to the government by the measure now before the house. What difference does it make to the people of the country, during a crisis such as this, whether we pass a little amendment to the criminal code, or what takes place with regard to some of the acts relating to noxious weeds, insect pests, cutworms and all that sort of thing? The real duty of parliament, if this resolution carries, is being handed over by the representatives of the people to the executive while the house is in session. If the act of last year had worked out in even a reasonably satisfactory manner there might be less objection to the course now proposed, but I venture to say that in not one province of the dominion has there been even fairly general satisfaction with the act and the way it has worked in affording unemployment relief.

I want to make this further submission: If we look at the report of the director of unemployment relief, tabled in the house the other day, at page 66 we will find the item having to do with harbours and rivers. This constitutes a set of estimates, and the work done cost $204,440. If we look at page 3 of the report we find that the regulations provide:

All agreements with provincial and municipal authorities shall contain a provision to the effect that all persons employed on the works or undertakings referred to herein shall be residents of Canada, and so far as practicable of the locality in which the work is being performed, and in no case shall discrimination be made or permitted in the employment of, or in the granting of direct relief to any British subjects by reason of their political affiliations, race or religious views.

Would you believe, Mr. Speaker, that of the $216,442 expended under that order in council on harbours and rivers, if I have the figures correctly only $12,000 was spent in ridings not represented by supporters of this government?

Mr. STEWART (Leeds): You are wrong in that.

Mr. ELLIOTT: My hon. friend says I am wrong; I know he must think so, but of course I think not. It is a bit difficult to tell where some of these places are, but I have done my very best, and I know where most of them are located. One of my hon. friends suggests that I know where Haileybury is, and that is so. It is not my purpose at this time to say anything as to whether or not these expenditures were necessary in the places where they were made; hon. members of this house have never had an opportunity of ascertaining from the minister in charge of these expenditures what was the need at the particular place, who were asking for it or what amount of relief was likely to be afforded by that particular vote.

My hon. friend has referred to the grant for Haileybury. The sum of $17,809 appears to have been spent in Haileybury. I have no information which justifies my saying that that was not properly expended and that it was not needed, and I do not propose to make any such statement until I know. However, I do say that that is something which should never have appeared under the heading of unemployment relief. The house sat last year until August 3, and this order in council was passed on October 15. Would it have been too much to ask the government to bring down an item in the estimates for public works and to give every hon. member an opportunity of discussing this matter before a decision was arrived at?

My objection to the substitution of "May" for "March" is that it is, in principle, the wrong kind of legislation. No hon. member can go home and face his constituents and justify the fact that while the house was still in session he sat in his seat, with his hands folded, and said: "I will leave this to the executive; it can do this in the way in which it has been done in the past, although I am bound to say that that way has not proven satisfactory to many portions of the country."

The experience gained in the last year or two should have enabled some changes and some improvements to be made. Such experience should be of value in formulating a policy for the coming year. If the government would say what amount was needed and this house had an opportunity of discussing the proposed policy in the regular way, surely some good would come from the discussion. This matter should be discussed in committee of supply.

I do not propose to take up the time of the house at any length, but I do desire to point out that this is the most objectionable legislation which any parliament could enact. I realize that we are living in a strenuous period, but that is all the greater reason why the safeguards which the experiences of various free governments have thrown around the rights of the people should be preserved. I submit that this resolution should not pass but that a supply bill containing the necessary items and providing a means of discussion as to whether or not such items are necessary, is the proper method of procedure. I see the Minister of Public Works (Mr. Stewart) across the floor, and I contend that all work in the way of public works should be done by his department. I have great faith in what can be accomplished by the Department of Public Works, and whatever money is to be expended on public works by the Dominion of Canada should be expended under the supervision of that department.

A cursory glance at the item will show that $12,000 out of $216,000 was spent in ridings which apparently needed no relief and which unfortunately are represented by opponents of the government. Perhaps these ridings do not need as much relief as do the ridings represented by supporters of the government.

Mr. STEWART (Leeds): London got some.

Mr. ELLIOTT: I do not think the minister claims paternity for these estimates; I take it they were put into his hands. I hope that is the fact because I should not like to think they had been prepared by him. It seems a bit remarkable that when a Conservative government is in power, not only is there more relief needed for the country as a whole but the ridings represented by supporters of the government require six times as much relief as the ridings represented by those opposed to the government.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READING

Bill No. 31, respecting certain patents of Autographic Register System, Limited.—Mr. Anderson (Toronto-High Park).

OTTAWA AND NEW YORK RAILWAY COMPANY

Mr. F. T. SHAVER (Stormont) moved the second reading of Bill No. 32, respecting the Ottawa and New York Railway Company.

Mr. NEILL: Explain.

Mr. SHAVER: About thirty-five years ago the Ottawa and New York Railway Company constructed their railroad between Ottawa and Tupper Lake, New York. This railroad crosses the St. Lawrence river at Cornwall, and about three-quarters of the bridge over which the railroad crosses the river is located in Canada. About fifteen years ago the Ottawa and New York Railway Company leased this bridge to the New York Central Railway Company, which has been operating it ever since.

The purpose of this bill is briefly, to authorize the Ottawa and New York Railway Company and its lessee the New York Central Railway Company to enter into an agreement with the toll bridge company to plank this bridge and operate it for vehicular traffic. I might quote very briefly the original act of incorporation by which this company came into being.

In the year 1882, an act known as 45 Victoria, chapter 78, and entitled "an act to incorporate the Ontario Pacific Railway Company," was passed by the parliament of Canada, authorizing the construction of the bridge and the construction of the railroad. In 1884 an act known as 47 Victoria, chapter 57, and entitled "an act further to amend the act to incorporate the Ontario Pacific Railway Company," was passed by the parliament of Canada. Clause one of this act provides that the said company may construct with their railway bridge over the St. Lawrence river a passage floor or way for horses, carriages and foot passengers; and that they may make the same during the construction of the said railway bridge, or at any time after the completion thereof; and in the event of their electing to construct such passageway or foot-bridge they may make, amend, repeal, reenact and enforce all such by-laws, rules and regulations as seem to them proper and necessary, as to the management, control and use thereof, and as to the toll and fares to be received and charged for passing the same—such by-laws, rules and regulations and tariff of tolls and fares and every amendment or reenactment thereof, to be subject to the approval of the governor in council.

In 1915 an act known as 5 George V, chapter 50, entitled "an act respecting the Ottawa and New York Railway Company" was passed by the parliament of Canada, authorizing such company to lease its undertaking to the New York Central Railway Company, and authorizing the latter company during the currency of such lease, to exercise the powers and rights and be subject to the applications and be entitled to the immunities provided by the act respecting the Ottawa and New York Railway Company, and in the Railway Act and in every act for the time being in force.

From this it follows that since the Ontario Pacific Railway Company had the right to plank the New York Central bridge for vehicular purposes, by the act above referred to, its lessee the New York Central Railway Company by the act of 1915 referred to herein, should have the like powers. It also follows that if the New York Central Company did not desire to plank the bridge itself, it could lease the bridge to some company and allow this company to do the planking. Some difficulty arose, however, because it was found that on the American side there was no similar act to the act of 1915 and to the act of 1884 authorizing the companies in which the railroad and bridge were vested to plank the same for vehicular purposes. So a bill was prepared by the New York Central solicitors and brought before congress. This bill has already passed the lower house and I have been advised that before long it will have passed the senate.

The people of eastern Ontario, and particularly those of my constituency and especially the town of Cornwall, are very much interested in the success of this bridge. For a number of years the Cornwall board of trade, as well as the chambers of commerce of two or three large towns on the United States side of the river, have been promoting this project. If this bridge is planked for vehicular traffic, it will provide the only highway bridge across the St. Lawrence between the Victoria bridge at Montreal and lake Ontario, a distance of 190 miles. For 116 miles of this distance the St. Lawrence river forms the international boundary between Canada and the United States, and in 1929, 150,000 vehicles crossed the river by ferry. This project will, I think, commend itself because it will not be an expensive bridge as compared with the cost of

constructing a new one. The bridge is already there and the planking of it and the building of the approaches will be comparatively inexpensive. In the Canadian section this will furnish work for 75 to 100 men for a period of four or five months.

Without going any further into the details, if the house will allow the bill to pass its second reading, I shall move that it be referred to the committee on railways, canals and telegraph lines so that gentlemen who are interested in the bridge may come before that committee and explain every detail.

Mr. SANDERSON: Was this bill, or a similar one, before the house a year or two ago?

Mr. SHAVER: This bill has not previously been before the house.

Motion agreed to, bill read the second time and referred to the select standing committee on railways, canals and telegraph lines.

BANK ACT AMENDMENT

Mr. H. E. SPENCER (Battle River) moved that the house go into committee on Bill No. 16, to amend the Bank Act.

Mr. G. G. COOTE (Macleod): Mr. Speaker, before the motion is put, I should just like to point out that in the votes and proceedings there is a recommendation of the select standing committee on banking and commerce that this bill be not proceeded with. I have just heard in an unofficial way that the action of that committee was based on a feeling on the part of certain members that they should not proceed to inquire at any length into this matter this session because the Bank Act was to be amended next year and that this matter might very well be left over until then. I think conditions throughout Canada at the present time are such that action in connection with this particular matter should not be left over until next year. One of the great difficulties with which people are faced to-day is paying any rate of interest. I believe there never was more need in Canada than at the present time for limiting the rate of interest which can be charged. I think it was the wish of the house when this bill received its second reading that it should be carefully considered in all its phases and the merits of the question carefully gone into by the committee, and as I am not sure that that has been done by the committee I beg to move in amendment:

That the house do not now go into committee of the whole on Bill No. 16, but that the said bill be referred back to the select standing committee on banking and commerce for further consideration with respect to limiting the interest charges to seven per cent on bank loans.

Mr. H. E. SPENCER (Battle River): The amendment which has just been moved by the hon. member for Macleod (Mr. Coote) should, for various reasons, meet the wishes of a great many members of this house. First of all, when this bill appeared before the banking and commerce committee the other day the committee was not at all well represented. It is true that three or four members of the committee had to leave to attend other committees on which they were sitting, but when the vote took place in the banking and commerce committee only fourteen out of a total membership of fifty voted, which shows how very few members of the committee were present.

The usual quorum of the committee is fifteen, but a week ago it was cut down to ten. Personally I think that that was a great mistake. I believe that many of the members thought it was necessary to reduce the quorum because otherwise we might not be able to get a quorum on Mondays and Fridays. But the meeting which was held the other day when this bill was considered was not held on a Monday or a Friday, and therefore the members of the committee had ample opportunity to be present except those few who happened to be working on other committees at the time. I say therefore, first of all, that the bill was not properly considered by a sufficient number of members of the committee, only fourteen taking part in the actual vote.

Secondly, the only argument that I have heard advanced as to why we should not go on with the bill is that the Bank Act will be coming up for revision in 1933, and it would therefore be advisable to leave the matter over for another year. I contend that that was not a wise suggestion at all. I support the hon. member for Macleod in his statement that there is altogether too much unrest in this country over the excessive interest rates that are charged by the banks, and the bill should have been proceeded with. In that connection an excellent precedent was set by the government of the day only last year, when by order in council they did interfere with the Bank Act even though it is coming up for revision in 1933. I have before me order in council P.C. 2693 which was passed on October 27, 1931, and which says in part:

Whereas the chartered banks are required, under the provisions of the Bank Act, to show investment securities in their monthly and annual financial statements at not in excess of market values;

That provision was altered by order in council and the following provision is being acted upon to-day, or at all events was acted upon until the first of March of this year:

1. That for the purpose of the return provided under section 112 of the Bank Act and schedule "G" thereto, and the annual report as directed by section fifty-three of the same act, the chartered banks of Canada shall, until this order is amended or rescinded, value the securities owned prior to the 31st day of August, 1931, at not more than the book value, or the current market prices thereof on the exchanges at the close of business on the 31st day of August, 1931, whichever may be the less, and the securities acquired since the 31st day of August, 1931, at not more than the cost price thereof.

2. This order shall come into force and effect on the 26th day of October, 1931, shall apply to the returns of the chartered banks as from September 30, 1931, and shall continue in full force and effect until the 1st day of March, 1932, unless sooner amended or rescinded by competent authority.

That order, it will be observed, came into operation on the 26th day of October, 1931, and no suggestion was then made, or if it was made it was not acted upon, that because the Bank Act would be revised in 1933 nothing in the meantime should be done. I say therefore, Mr. Speaker, that if this very important change can be made in the Bank Act by order in council in spite of the fact that the Bank Act is to be revised next year, it would be perfectly in order at this time to insert in the act a clause providing a penalty if the banks of this country charge more than the legal rate called for.

It is well to remember also that we are working under a federal act, not under a series of provincial acts, and when the act says that seven per cent is the maximum that shall be charged it means that that shall apply in every province, not simply in two or three provinces. But we know full well that different rates of interest are being charged in different provinces on exactly the same sort of business. The people of western Canada are particularly indignant about that; we consider it a very unfair way of getting around the Bank Act, and discriminatory against one particular part of Canada.

The banks may say that they cannot carry on if they are not allowed to charge these rates. I would point out that of all the businesses in Canada that I can read about the only one that seems to be able to pay regular dividends on its shares is the banking business. I have before me a statement showing the rate of dividends declared by the chartered banks of Canada as shown in their returns for the month of December, 1931, as follows:

	Per cent
Bank of Montreal	12
Bank of Nova Scotia	16
Bank of Toronto	12
Banque Provinciale du Canada	9
Canadian Bank of Commerce	12
Royal Bank of Canada	12
Dominion Bank	12
Banque Canadienne Nationale	10
Imperial Bank of Canada	12

There is not another business in Canada which in these difficult times can make as good a showing as the banks, as indicated by the figures I have just quoted. The banks must be making considerable profits, and therefore the excuse that these high interest rates have to be charged if the banks are to carry on is not supported by the facts.

To show that what I am advocating is supported not only in the province of Alberta but in the province of Manitoba also, I wish to quote from a resolution passed at the last convention of the United Farmers of Manitoba:

Resolved that we, the United Farmers of Manitoba, favour the inclusion in the Canada Bank Act of the penalty of $5,000 for any infringement of the clause whereby the legal rate of interest is seven per cent.

From time to time we have heard in this house a good deal concerning the advisability of those interested in agriculture carrying on mixed farming. I understand certain bank presidents have made this suggestion. May I put on record two short letters respecting the treatment some of those people who have gone into mixed farming are receiving. One letter from Wilhelm Brothers, dated at Swift Current, Saskatchewan, July 8, 1931, which they are perfectly willing should be read, is as follows:

It might be interesting to know how some of the banks are assisting the farmers out of diversified farming. We own and operate a fair size farm consisting of 25 quarters of very good land and complete equipment, a 60 cow dairy and hog ranch.

Our dairy has paid most of the running expenses so far this year and we expect the dairy and hogs to pay all expenses and any money due this year leaving 1,800 acres of very good crop to the good.

On February 7 last we gave a note to the Royal Bank of Canada due April 15. On due date we found it impossible to get $500, consequently asked the bank if they would renew this note until fall or until August 15 when we expected to market a car of hogs.

The Bank manager, Mr. Lancaster, refused flatly and demanded immediate payment.

On June 17 the Royal bank issued a writ against us. In order to raise money to ward off judgment we were compelled to sacrifice our herd of 40 brood sows. We spent several years

developing this herd and they were as good as can be found in Saskatchewan, but being our only source of immediate revenue they had to go. This will put us out of the hog business for at least a year.

Use this as you see fit. We would appreciate seeing these facts in the Western Producer, or any other farm papers.

Although I have a great many more such letters before me, I shall refer to only one more. This comes from the secretary of the Saskatchewan section of the United Farmers of Canada:

I have obtained the enclosed statement from one of our members. I think if you will study this statement and affidavit you will find that we have at least one concrete case of the unreasonableness of the bankers. I believe the documents are self-explanatory. This man was fortunate in that he was able to borrow his financial statement from the banker. He brought it to my office and we made copies of it. It is very plain and can easily be understood.

We here have a farmer who shows a surplus of $30,348, and whose chattels are absolutely clear. He owed the bank $475. He went to the bank to pay up some of his indebtedness but was wise enough to ask the question, before he handed over the money, as to whether or not the bank would advance him $200 wherewith to carry on the balance of the year. You will note that his request was refused and that he kept the money and has now been threatened with suit. I am in hopes that this information will be of some use to you.

I put these two letters on record because they are similar to a great many we are receiving. Instead of the banks fighting a bill such as mine, they should be perfectly willing to keep within the letter of the law so far as seven per cent interest is concerned, but they charge a higher rate, if they can get away with it. I think the recommendation of the banking and commerce committee that this matter should not be considered for another year, was not in the best interests of this country. Therefore I am in entire agreement with the amendment moved by the hon. member for Macleod, to the effect that this bill be referred back to the committee on banking and commerce for further consideration.

Mr. R. C. MATTHEWS (Toronto East Centre): Mr. Speaker, as chairman of the banking and commerce committee I feel I should say a few words concerning the bill brought before it. It was discussed in committee a few days ago for a period of more than an hour and a half. The hon. member who has just taken his seat spoke in committee at least a half a dozen times; there was no limit whatever to the discussion. Representatives of Canadian banks were prepared to give evidence, but when the suggestion was made that they should take the stand, objection was taken to hearing them.

Mr. SPENCER: Would the hon. member tell why objection was taken?

Mr. MATTHEWS: Objection seemed to be taken because there were not men from the west to give such evidence as—

Mr. CAMPBELL: I should like to point out to the hon. member that objection was not taken to the bankers giving evidence at all. It was pointed out by other members of the committee that if the bankers were permitted to come there and testify, they reserved the right to call debtors of the banks as well.

Some hon. MEMBERS: Order.

Mr. MATTHEWS: Objection seemed to be raised because customers of banks in western Canada were not present to lay their side of the case before the committee. Such evidence as has been given to-night was not presented to the committee. I am here to state however that every hon. member of the committee had an opportunity to speak. Full opportunity was given for discussion. Then the question was asked as to whether or not the bankers should be heard, and among other gentlemen the hon. member who has just spoken was one who requested that the banks be not heard. A vote was taken—

Mr. SPENCER: Only on condition.

Mr. MATTHEWS: The vote stood ten to five. The hon. member for Battle River requested that the vote be recorded and accordingly the names were called, each member answering his name. There was no suggestion in the committee by anyone that the discussion was in any way curtailed, that it was unfair or incomplete. Therefore I am surprised that the hon. member for Battle River has seen fit to speak in such terms to this question to-night. At least I do not think his attitude is very sportsmanlike.

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, it may be that the votes recorded in the banking and commerce committee were but a scant fifteen. Hon. gentlemen will recall, however, that shortly before the vote was taken a system which prevails in the house was followed in that at least to some extent pairing took place. For instance, the hon. member for Wetaskiwin (Mr. Irvine) and I who unfortunately were not on the same side of the argument, left the committee room together. The argument put forward in committee by the hon. member for Battle River (Mr. Spencer) was not the one he has made this evening. At that time he said the banks were in breach of the law, when taking more

than seven per cent on loaned money and that it behooved institutions to respect the law, even though they happened to be possessed of a large quantity of this world's goods. That argument was developed. Hon. members attempted to show it was very improper that banks should be allowed to disrespect the law, when individuals were held to strict accountability for their actions.

It was pointed out that the clause of the Bank Act relating to interest is in the following terms:

> The bank may stipulate for, take, reserve or exact any rate of interest or discount not exceeding seven per cent per annum, and may receive and take in advance any such rate, but no higher rate of interest shall be recoverable by the bank.

That is, a bank may legally charge any rate of interest it sees fit to charge which is not usurious within the meaning of our statutes; but it may not recover before the courts any rate of interest which is in excess of seven per cent. Transactions of this character are not restricted to those coming within the Bank Act; there is a whole category of transactions in which men engage from day to day, in which large sums of money change hands, but which are not enforceable before the courts. If a bank lends money for ten per cent it may not go before the courts and enforce collection, because in so far as enforcing collection is concerned the banks are restricted to seven per cent; and if a gentleman having engaged to pay ten per cent, refuses to pay more than seven per cent, he cannot be coerced into paying the higher rate. As I said in the committee, that may be one reason why interest is collected in advance.

Coming to the merits of the bill, Mr. Speaker, most commodities have a price, a price which fluctuates, and money is one of them. I can assure the hon. gentleman from Battle River (Mr. Spencer) that there are very few members who do not wish that money did not cost as much as it does to-day, just as there are many members who wish that wheat and butter cost more than they do to-day; but prices fluctuate from causes over which men cannot at all times exercise control, and unless the hon. gentleman is willing to go to the length of enacting legislation to coerce and conscript capital, I doubt if this bill will bring to his constituents the measure of relief which he is seeking for them. It will merely mean that people will not get money if money is worth more than seven per cent—unless they are dealing with a philanthropic society; money will go where it can get its price and it will not be loaned or sold for less than the market price. That is a truism.

I mentioned the other day in the committee that the provisions of this bill, while possibly new to this house, did not contain an idea that is entirely novel. It has been incorporated into the banking laws of several New England states, where I know that it is just about as effective as is the eighteenth amendment to the American Constitution. There are ways around it. When money is worth more than six per cent, which is the legal rate in Vermont, for instance, where it is not competent to a national bank to lend money at a higher rate of interest, methods are devised to defeat the law—commissions, gratuities, arrangements for insurance, and so on, all of which result inevitably in the borrower paying the current rate of interest. Some years ago—and this is entirely by the way—I attended a prosecution of a bank manager in Vermont, who it was proven had loaned money at a rate of interest in excess of that fixed by the statute; he was liable to a penalty similar, although not identical in amount, to that suggested by the member for Battle River. The ways of juries are strange, I will admit: the facts were clearly proven, but the jury refused to find the accused guilty, simply because the borrower had, of his own free will, stipulated to pay seven per cent when money was worth seven per cent.

The hon. gentleman from Battle River has told us that banks are the only institutions which have not reduced their dividends. That is true, but only technically so. They have not in most instances reduced their dividends, but they have reduced their payments to their shareholders. I am sure that the hon. gentleman knows that our chartered banks have for many years paid to their shareholders, two, three and four per cent in excess of dividends by way of bonuses, these amounts have been paid regularly and have been relied upon by the recipients as part of their revenue. I assume he knows, as I do, that in almost all instances these bonuses have ceased to accrue. So in fact banks, like other institutions in the country, have been confronted with reduced earnings.

We saw the other day that the province of Alberta negotiated a loan. We know that it is a rich province, we know that its credit is good, yet its six per cent bonds were sold on a basis of six and a half per cent, and probably they cost the province, taking into consideration the incidental cost of financing, between six and a half and seven per cent.

It may be said that that circumstance can be turned against the banks, and it may be a reason to conscript wealth. But it is an incontrovertible argument, I think, against the proposed legislation contained in this bill, because it shows that, regardless of credit, money has its fixed price, and that that price must be paid by those who would enjoy its use at this time. The important point, I think, is to make it clear that whatever may be said for or against the banks, they have carried on their business and are carrying it on legally. I submit that as a matter of business my hon. friend from Battle River has given the very best reason for money being high in the part of the world to which he refers. Interest rates depend to some extent upon the solvency and the liquid state of the assets of the debtor. When the debtor is in difficult circumstances; when he has no security and cannot pay, the hazard is greater and of necessity the rate is higher. My hon. friend told us of an unfortunate farmer who could not pay, whose stock was seized and who was sold out. That is unfortunate, but is that not the law in its common application to everyone, whether he be big or small, who cannot pay an obligation to which he has committed himself?

I am opposed to the amendment because I do not think it will yield the hon. member for Battle River and his constituents the assistance which he is seeking for them.

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

YEAS

Messrs:

Ahearn, Baribeau, Beaubien, Bertrand, Beynon, Boucher, Boulanger, Brasset, Brown, Butcher, Campbell, Carmichael, Casgrain, Chevrier, Coote, Desrochers, Dorion, Dubois, Dumaine, Dupuis, Euler, Factor, Fontaine, Gardiner, Garland (Bow River), Gershaw, Goulet, Hall, Heaps, Ilsley, Irvine, Laflèche, Larue, Loucks, Lucas, Luchkovich, MacInnis, Mackenzie (Vancouver Centre), MacLean, Macphail (Miss), McIntosh, McKenzie (Assiniboia), McMillan (Huron South), McPhee, Mercier (Laurier-Outremont), Mitchell, Motherwell, Neill, Parent, Perley (Qu'Appelle), Perras, Power, Reid, Rhéaume, St-Père, Sanderson, Séguin, Speakman, Stewart (Edmonton West), Thauvette, Turnbull, Urquhart, Vallance, Woodsworth.—64.

NAYS

Messrs:

Anderson (Toronto-High Park), Anderson (Halton), Arsenault, Arthurs, Baker, Barrette, Belec, Bell (St. John-Albert), Black (Halifax), Bothwell, Bourgeois, Bowen, Boyes, Burns, Casselman, Cormier, Cowan (Long Lake), Dickie, Donnelly, Duff, Duguay, Duranleau, Embury, Ernst, Esling, Fortin, Fraser (Cariboo), Garland (Carleton), Geary, Gobeil, Gordon, Hackett, Hanson (York-Sunbury), Hay, Johnstone, Jones, Kennedy (Winnipeg South Centre), Laurin, Lawson, MacDonald (Cape Breton South), Macdougall, MacMillan (Saskatoon), McDade, McGibbon, McGillis, McLure, Matthews, Moore (Chateauguay-Huntingdon), Morand, Murphy, Myers, Pettit, Pickel, Plunkett, Porteous, Price, Robinson, Rogers, Ross, Ryckman, Sauvé, Senn, Shaver, Simpson (Simcoe North), Simpson (Algoma West), Smith (Victoria-Carleton), Smith (Cumberland), Spankie, Spence, Sproule, Stanley, Stevens, Stewart (Leeds), Stewart (Lethbridge), Stinson, Stirling, Stitt (Nelson), Sullivan, Sutherland, Tétrault, Thompson (Simcoe East), Thompson (Lanark), Tummon, Weir (Melfort), White (Mount Royal), Willis, Wilson, Wright.—88.

Motion (Mr. Spencer) negatived on the same division, above recorded.

Mr. MacLAREN: I was paired with the hon. member for Rimouski (Sir Eugène Fiset). Had I voted, I would have voted against the amendment.

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—CONSIDERATION OF RESOLUTION

The house resumed consideration of the motion of the Prime Minister that Mr.

Speaker do now leave the chair for the house to resolve itself into committee of the whole on the following proposed resolution:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

Mr. THOMAS McMILLAN (South Huron): Mr. Speaker, in view of the fact that I am a layman the house will be surprised at my venturing into the realm of legalities. I wonder at the attitude adopted by the Prime Minister (Mr. Bennett). I always looked upon him as being a wizard among the great lights of the legal world. However, since taking my seat in this house I have often thought we have had to listen to more trash in the way of legal technicalities than I have heard during all my previous life. The resolution reads:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

Section 8 of the act reads:

This act shall expire on the 1st day of March, 1932.

The first point I wish to make is, I am not dealing with legal technicalities, but sojourning in the field of common sense. Here we are discussing on March 15, the question of amending this act. One grain of common sense should tell us that this act is just as dead and defunct as is Mother Shipton, with whom my right hon. friend is so pleased to converse, and who, I am sure, must have expired one hundred years ago. Why should we discuss an act of this kind? Is it not reasonable to request the Prime Minister (Mr. Bennett) to withdraw this legislation in order that we may discuss something into which we can instil life? The resolution upon which this act was based reads:

That it is expedient to bring in a measure to confer certain powers upon the governor in council in respect to unemployment and farm relief; and for the maintenance of peace, order and good government in all parts of Canada; and to authorize the governor in council to expend for the said purposes out of the consolidated revenue fund such sums as may from time to time be necessary.

What is the meaning of that resolution upon which the act was based? Does it not mean that the government asked for authority to be allowed to ride roughshod over the constitutional rights of parliament and to do anything which the most abandoned citizen of this country might feel inclined to do? I do not say that the government will do that, but the power is there. I will discuss this phase of the matter later on, but I ask the house to realize that this is March 15, fifteen days after the act expired. I ask the right hon. gentleman to bear in mind the warning given by Julius Caesar—Beware the ides of March.

This legislation is but the logical sequence of the record of this government since it obtained office on August 8, 1930. During the election campaign the Prime Minister promised that he would end unemployment by federal means. He referred to the members of the King cabinet as "this group of mercenaries holding office by sham and subterfuge. Look upon them as treacherous to you; self-confessed, deserving of your passionate condemnation;" hurl them from place and power and select the great I Am who will lead you into the promised land and do that which ought to be done for the welfare of this country. That was the promise he made during the elections. That promise was implemented when in September, 1930, he called the special session of parliament presumably for the purpose of ending unemployment by federal means. In about as little time as it takes to tell, he scrapped the whole theory of ending unemployment by federal means, sought a vote of $20,000,000 for the purpose and saddled over three-quarters of the cost upon the provinces and municipalities of this dominion. What else did he do? His first expression on the floor of parliament as Prime Minister of Canada was "that in so far as possible the requirements of the ten millions of Canadian people must be produced at home," thereby showing at once that he and his government did not wish to encourage the importation of any line of goods which could be produced in this country, thus drying up the stream of trade and paralyzing our greatest industry, that of agriculture.

His next act in amplification of this course was to jack up the Canadian tariff against the importation of British goods almost to the prohibitive point, practically wiping out the British preference before he and his colleagues ever went to the Imperial conference, thereby ejecting British goods at the toe of the boot from Canadian markets which they had enjoyed for a lifetime.

His third act was to pass some of the most unreasonable customs and tariff legislation ever forced through the parliament of any country, and he did this under the threat that until all this legislation to which I have referred, was passed, he would refuse to leave Ottawa to go to the Imperial conference. It is well known that every member of the house wished the Prime Minister to perform his

duty at the Imperial conference in London, and we allowed these acts to pass without sufficient analysis or discussion. The Prime Minister with his colleagues went to the Imperial conference, leaving us with a lavish promise that there would be free and open discussion at the next session of parliament.

The next session commenced on the 12th day of March, 1931. Every representative came to Ottawa with the idea of hearing something of what should be done to cure unemployment in Canada, because we know at that time it was worse than it had been since he assumed the reins of power. As I say, the house assembled on the 12th day of March. On March 20 the hon. member for North Winnipeg (Mr. Heaps) rose in his place and asked the ministry if any special measures were contemplated to cope with the unemployment situation. There was no answer from any member of the cabinet. On March 23 the hon. member for Kenora-Rainy River (Mr. Heenan) rose in his place and asked what the government intended to do with regard to unemployment in his constituency. There was still no answer. The Prime Minister said that the question could stand. On March 31 the hon. member for North Winnipeg rose and moved the adjournment of the house, but his motion was ruled out of order. On April 17 the hon. member for Kenora-Rainy River again brought the question before the house, and failing to get a satisfactory answer from the government, he moved the adjournment of the house, but the motion was defeated. This was the manner in which we were allowed a full discussion of the problem of unemployment.

On April 24, the hon. member for Bow River (Mr. Garland) asked whether the government intended to call a dominion unemployment conference. The Prime Minister replied:

> The hon. member will be advised when the event happens, if it does happen.

On May 25 the hon. member for Comox-Alberni (Mr. Neill) directed the attention of the government, and particularly the acting Minister of Labour (Mr. Gordon) to the desperate condition existing in the city of Nanaimo over the matter of unemployment, and urged the government to deal with the situation immediately. The minister said that the matter was purely a provincial one, and this in face of the fact that during the election campaign, as I have said, the Prime Minister had stated here and there throughout Canada that this had become a national problem and we should deal with it in a national way.

On May 26, on the motion to go into committee of supply, the hon. member for Comox-Alberni discussed the urgent necessity of holding a conference. A lengthy debate followed, but not a word was uttered by any member of the government. On June 8 the hon. member for Comox-Alberni brought the matter once more to the attention of the government, but the Deputy Speaker ruled him out of order. On June 29 the hon. member for Kenora Rainy River again brought up the matter and the Prime Minister replied;

> At an appropriate time a statement will be made. . . . The primary duty with respect to unemployment does not rest with the federal government.

That shows the way in which he scrapped the theory which he had announced to the electorate of Canada during the whole period of his election campaign, of ending unemployment by federal means.

On June 30, the hon. member for Willow Bunch (Mr. Donnelly) directed attention to the appalling situation in Saskatchewan, and the Prime Minister replied:

> The primary responsibility . . . rests with the municipal authorities and the province.

This is the manner in which the government continued until July 29 when legislation was introduced. The Prime Minister then said:

> What alone concerns us is that many of our people are now in want, and unless extraordinary measures are taken many more will know hardship and privation in the coming months of winter. Knowing this it becomes our solemn duty to aid them. In the short session of parliament last September and in the one now drawing to a close this government did all within its power to strengthen our economic structure and to repulse the wave of world-wide economic depression which was then upon us.

I would say that the effect of all his work has rather been to plunge this country into the most desperate economic and unemployment condition which exists to-day. I can tell the Prime Minister that in my section of Ontario there is a decided feeling of scarcely concealable unrest and dissatisfaction over the way in which the government has been administering the affairs of this country, more particularly along economic and unemployment lines.

On a recent occasion when I visited my own home I met one of the most prominent citizens, a lifelong Conservative, but a man of sterling integrity. He had represented his township at the county council for many years. His first expression was: "What are you fellows doing down there at Ottawa?" Of course, I explained to him that we were tied hand and foot, that we of the Liberal party could do nothing, that we had a Prime

Minister who was acting in an autocratic manner, and that although he had surrounding him a cabinet of ministers who ought to be good men, yet they seemed to act as though they were minions at his feet. My friend would not allow me to say another word. "Mac," he said, "you know what I have always been in politics, and I can tell you that if we only had an opportunity to cast our ballots the government would wonder where their support had gone in my section of the country."

I speak the mind, I believe, of every member of this chamber when I say that we assembled here on the 4th of February with the intention of helping to discharge the business of this house with all reasonable despatch. That was proved to be the intention at least on this side of the house by the fact that we passed the address in reply in less than two days, first because there was nothing in the speech from the throne, and secondly because we did not want in any way to hold up the business of the house. From that time to this unemployment has repeatedly struck the House of Commons.

As I say, the resolution which I have read and which forms the basis of the bill to be enacted, gives the government power to ride roughshod over the constitutional rights of parliament and to do anything which they may be disposed to do without asking the members of the House of Commons anything about it whatever. It is simply trampling under foot the very first principle of constitutional government, namely government of the people, by the people and for the people. The only reason why the people themselves do not all come down here—for we are living in a free democracy—to help carry out the work of legislation is that it is not practical for them to do so; therefore they have chosen the members of this house as their representatives to act for them in this parliament. But by enacting this legislation the government practically says to the members of this house: You had better go home, because you are of no use here.

I hold in my hand the estimates for the present fiscal year. The action which this government is inclined to take in passing this legislation is such that they might just as well present the estimates in a bulk sum and say to us: Here is a total of some $356,000,000 of estimates. Pass them at one gulp. If you do not do it, it does not make any difference, because we will pass them anyway. Under this legislation, Mr. Speaker, the government if they were so inclined could change these estimates at any time. That is the sum and substance of the legislation which this government is asking the house to pass. What are we here for? Is it not to use our best judgment in helping to legislate for the good of this country? Or are we here simply as puppets to bow and scrape at the nod and beck of the grasping, self-willed, autocratic, dictatorial power which now exercises sway over this House of Commons? I would ask the government to realize that all despotism is bad, but the worst kind of despotism is that which is exercised with the machinery of freedom. I would ask you, Mr. Speaker, and through you the members of this house, to realize that we have recently emerged from the greatest conflict of the ages, and this world is groaning with the financial burden as a result thereof. I am reminded of the words of Lord Byron, who in his ode to Napoleon Bonaparte at the close of the Napoleonic wars, said:

> Then haste thee to thy sullen isle,
> And gaze upon the sea;
> That element may meet thy smile—
> It ne'er was ruled by thee!
> Or trace with thine all idle hand
> In loitering mood upon the sand
> That earth is now so free!

But, Mr. Speaker, subsequent events have proved that after all this world was not so free as some of the historians of that day evidently thought it was, because after the lapse of another hundred years we have recently emerged from the greatest conflict of the ages. What was the cause of that conflict? It was caused by the prosecution of the doctrine that the freedom and liberty and humanity of the subject is a matter of no concern, that the people are simply the serfs and chattels of the state, and that the state and high command should be all supreme. That is the doctrine against which we fought for four long years, and we know well that we should now be under the yoke of autocracy and despotism had the allied powers not gained the victory. Yet in imitation of the kaiser himself, in the guise of a dictator, we have the government through the medium of this bill laying down the law of autocracy when it in effect says that the representatives of the people here assembled are of no more account, that they are no more needed, than a herd of dumb, driven cattle; that in effect they should be silenced and told to go home because their services are no longer needed here.

This is the most vicious legislation, Mr. Speaker, of which I can conceive. I am surprised at the attitude of my hon. friends opposite, and more particularly of my good friend the Minister of National Revenue (Mr.

Ryckman) who sits in his place smiling, and who has an absolute disregard for the rights and privileges of a free people. I am led to that conclusion after the manner in which he has discharged his duties since the short session of parliament in September, 1930. He knows that because of legislation for which he is responsible the stability of business has been destroyed to such a degree that every prospective trader is afraid to launch out and do business because he may never know the valuation upon which he will have to pay duty. Common sense should tell us that the valuation which should be put on goods imported into this country is the reasonable price paid for them. Yet under the legislation to which I have referred power can be given to the Minister of National Revenue to set whatever valuation he may wish, without any reference whatever to the purchase price, and whenever he feels inclined to do it.

That is the sort of legislation to which we are opposed, and which we will not suffer. That is the type of legislation which is placing the people of Canada in a restive condition, and is making them wonder how long such a condition will continue. Legislation such as that is something against which every fibre of my nature rebels. What does it mean? It means that under the measure which the government now seeks to pass, and which has been in existence since August 3 last, any man may be deprived of his home, separated from his family, thrown into prison, his property confiscated—all those things without a fair trial at the hands of his peers. For my part, Mr. Speaker, I have no desire whatever to impede the business of the house, but concerning an autocratic measure such as this I would be disposed to stay here as long as possible to uphold the rights of the people and perform the duties allocated to me by my constituents.

The Prime Minister talks about preserving untarnished the dignity of the high position he has been permitted to fill. By his attitude he has grovelled in the dust and exposed to public view, those who are near and dear to him, whereas if he had only considered the source whence such scurrilous attacks had come, and let that fact be sufficient for its own condemnation, I am certain he would have had the approval of every right thinking person in Canada. Where do we find him to-day? By his prosecution of this vicious legislation he is doing more than words can express to dishonour the high position he is now allowed to adorn. Does he not know it is just such legislation as the government is now trying to put through the house that in days gone by caused the heads of kings to be toppled into waste baskets?

O wad some power the giftie gie us
To see oursels as ithers see us!
It wad frae mony a blunder free us,
An' foolish notion:
What airs in dress an' gait wad lea'e us,
An' ev'n devotion!

I feel like making a further quotation from the works of the same national poet:

But mousie, thou art no thy lane
In proving foresight may be vain;
The best laid schemes o' mice an' men
Gang aft agley,
An' lea'e us nought but grief an' pain,
For promis'd joy!

I appeal to the Prime Minister and the members of his cabinet, I appeal to the Minister of Justice to withdraw this legislation. If they will present a reasonable supply bill in a constitutional way we will pass it at once. If they will proceed in a proper constitutional manner we are willing to help them. I have reviewed the discussions of last session on the legislation then put into force which took from parliament matters which should be under the exclusive control of that body. That legislation established a virtual dictatorship, violated the basic principle of the control of parliament over national expenditures, and was more sweeping and far-reaching than the war measures introduced by Sir Robert Borden. As has been so often said by hon. members on this side, during the whole period of the war Sir Robert Borden never ventured to do anything in the autocratic and despotic manner now being followed by this government.

I need not review all the measures they have been enacting; we have heard about them time and again. However I ask the government to realize that they are pursuing a doctrine which, if persisted in will destroy the liberty of Canadians, and one which is taking the power from the hands of parliament to do those things parliament should be allowed to do. Certainly parliament in session should not be deprived of such powers. Any time within the next two months this government would be at liberty to call upon parliament to pass a supply bill, and there is no doubt that any reasonable legislation presented in a constitutional manner would be passed without delay. The more I think of it the more I think hon. members on this side of the house should uphold our principles to the bitter end. If there is a possibility of preventing the passage of the proposed legislation now before us, certainly we should at the present time take steps to that end.

I often wonder what kind of common clay members of the government think Liberals are made. Do they not know that we possess the same spirit by virtue of which in days gone by we fought autocracy and despotism and which made possible the enjoyment of our present freedom? The freedom enjoyed in Canada and throughout the world is due to the sacrifices of those who have gone before. As they have sacrificed for us, it is our duty to sacrifice for those who will follow us. It is the same spirit which courses through our veins that led that Scottish national poet to say:

> If I'm design'd yon lordling's slave—
> By Nature's law design'd—
> Why was an independent wish
> E'er planted in my mind?
> If not, why am I subject to
> His cruelty, or scorn?
> Or why has man the will and pow'r
> To make his fellow mourn?

It is the same spirit which moved Robert Burns when in speaking of his native country, he said:

> O Scotia! my dear, my native soil!
> For whom my warmest wish to Heaven is sent,
> Long may thy hardy sons of rustic toil
> Be blest with health, and peace, and sweet content!
> And O! may Heaven their simple lives prevent
> From luxury's contagion, weak and vile!
> Then, how'er crowns and coronets be rent,
> A virtuous populace may rise the while,
> And stand a wall of fire around their much-lov'd isle.

It is the same spirit which coursed through his veins when he said:

> O Thou! who pour'd the patriotic tide,
> That streame'd thro' Wallace's undaunted heart,
> Who dar'd to, nobly, stem tyrannic pride,
> Or nobly die, the second glorious part.

That is the spirit which actuates the members of the Liberal party in opposing the legislation now before the house.

The ACTING SPEAKER (Mr. Smith, Cumberland): Order. The hon. member has spoken forty minutes.

Mr. W. A. BEYNON (Moose Jaw): Mr. Speaker, it is with some diffidence that I rise to address the house after the poetic eloquence of the member for South Huron (Mr. McMillan). I do not intend to devote any considerable time to a discussion of the constitutional question involved in this resolution, but rather to deal with the practical question of unemployment relief.

Last Friday evening the ex-Minister of Agriculture (Mr. Motherwell) treated us to one of his characteristic speeches and dealt at some length with the administration of relief in Saskatchewan. One of the first questions he propounded to this side of the house was: Why were the municipal organizations of the province not used for the purpose of the administration of relief? That question can be very easily answered. The municipal organization had been used before the relief commission was set up, but the results were so unsatisfactory that it was deemed advisable to make a change. The hon. gentleman stated that the municipal councils were wholly non-political. Regardless of his statement, I say without fear of contradiction from the people of Saskatchewan that to a large extent that was not true. There were municipal councils that were wholly non-political, but they were few in number, and while the municipal organizations were administering relief, the dissatisfaction was very, very pronounced, as the relief was administered inequitably. That was one of the reasons for discontinuing their services. Another reason was that even where the municipal councils were non-political and did their utmost to administer relief—

Mr. TOTZKE: Did the hon. member say the municipal councils were political?

Mr. BEYNON: Oh, yes.

Mr. TOTZKE: What does he mean by that?

Mr. BEYNON: The hon. gentleman heard me the first time.

Mr. TOTZKE: Yes, but what does the hon. member mean by that?

An hon. MEMBER: They were Grits.

Mr. BEYNON: I do not think anyone coming from Saskatchewan seriously disputes it. In fact, I might just tell the house that for the last twenty-five years there was very little, if anything, in the province that had not had politics in it.

Mr. COWAN (Long Lake): On the wrong side.

Mr. BEYNON: That is common knowledge in Saskatchewan and I can get confirmation of it from members not on this side of the house. Even when the municipal councils that were not political tried their utmost to administer the unemployment relief fairly, their efforts caused dissatisfaction for the reason that naturally the various municipal councils would not have the same basis on which to administer relief. Consequently one council would adminster relief more generously than another; a man living on this side of the road in one municipality would get more than his neighbour on the other side

of the road in another municipality. Therefore there was very great dissatisfaction. In those cases it was not the fault of the councils administering the relief, it was the fault of the system. Added to that was the fact that each councillor wanted to get the utmost for his division, which was quite natural, quite human; but that also led to great dissatisfaction, because the more energetic, the more forceful character got a greater share of the relief for his division than others who were not so aggressive, and this of course caused great dissatisfaction. For all these reasons it was deemed advisable to set up an absolutely independent organization to administer this relief uniformly and equitably over the whole province. It is significant that the testimony from both sides of the house shows that the course taken was more than justified by the results.

Then the member for Weyburn (Mr. Young) and the ex-Minister of Agriculture devoted some attention to the personnel of the commission and the general manager and officers thereof. The member for Weyburn stated that all the relief officers were appointed by a political organizer. Naturally he does not know that of his own knowledge, but he draws that conclusion from certain facts that did come to his attention, and largely on one fact in particular, that he went into the office of the relief commission and one of the commissioners told him that they had the list and were going to appoint the relief officers at the next meeting. Being politically minded the hon. member naturally assumed that this was a list prepared by a Conservative organizer and handed in to the commission. That the commission had the list is true. At least I assume they did have such a list, because I do not think the commission should have attempted to appoint relief officers from the voters' list. Certainly some preliminary work would have to be done and was done. What is more, those men could not be compelled to accept the office; they had to be consulted and give their consent. This was done; in fact they signed an undertaking to carry on the work. After they were appointed they were given their instructions and advised how to carry on. So when the member for Weyburn says all these men were appointed by a Tory organizer he is merely drawing a conclusion and not stating a fact of his own knowledge.

Mr. YOUNG: Mr. Speaker, the fact I stated was that they were selected by a Conservative organizer. That is a fact.

Mr. BEYNON: It is equally untrue.

Some hon. MEMBERS: Order.

Mr. BEYNON: I may also inform the hon. member for Weyburn that one of those relief officers was recommended to the commission by the Hon. James G. Gardiner, ex-premier of Saskatchewan, and by a peculiar coincidence—perhaps it was only an accident—he named a Liberal. Another officer, the relief officer of the municipality of Baildon, is the reeve of that municipality, which is down near my hon. friend's constituency of Weyburn. If my hon. friend goes to that municipality and tells that relief officer he is a Conservative, he had better take someone along to call an undertaker, because he will need one. There never was a man in the province of Saskatchewan more anti-Conservative than the relief officer of that municipality, and if any Tory organizer chose him for political purposes that organizer was simply crazy.

I have referred to two of these officers. I will tell my hon. friend further that I do not think one of the relief officers in Last Mountain is a Conservative, and I do not think there is even a Conservative on the committees in that municipality. Yet the hon. member comes here and says all these people were chosen by Conservative organizers.

Now I will say just a word as to the commission itself. Hon. members opposite were very careful not to criticize the personnel of the commission or adversely to criticize its functioning. I did not know the chairman of that commission, Mr. Henry Black of Regina, until he was appointed. He is a man of means; he is a busy man, but he has given a great deal of his time to the service of his country without remuneration, and naturally hon. gentlemen opposite hesitate to criticize very severely one who has rendered such wonderful service, and without playing politics at all. Mr. Yuill, another member of the commission, has been a lifelong Liberal. The ex-Minister of Agriculture described him as a sort of indifferent Liberal, but I say he has been a very consistent Liberal, and for some time his brother has been president of the Liberal association of Saskatchewan. I will say this for Mr. Yuill, however, that in his capacity as commissioner he has forgotten politics, and he is the first Liberal I have ever found who could do that. Hon. gentlemen opposite dare not criticize that commission because the Liberal member of it would come out in the press and tell them, as he has told many people already, that he has never found a better, more non-political, more self-sacrificing or more devoted body of men.

Now I come to the general manager, and this was where the ex-Minister of Agriculture took a little slap at myself. He said this

gentleman organized the Conservative campaign in the constituency of Moose Jaw. That is very true; he did, and that is why I am here.

Mr. VALLANCE: Is that much of a recommendation?

Mr. BEYNON: Just as much as it is for the man who is responsible for my hon. friend being here. I will tell you this, that the people of Moose Jaw, regardless of their political affiliations, agree that that was the cleanest campaign ever staged in that constituency.

What has this man done? He was called upon, as general manager of this organization, to build an organization from the ground up, and to undertake one of the most momentous tasks ever undertaken in Canada. He could not choose men and women trained in that particular work; he had to go out among the unemployed and the needy and choose his staff and form his organization. He did that. An organization was built up, with inexperienced people, men and women taken off the streets, and in a very short time the organization was functioning. Indeed, people all over the country marvelled at the expedition with which that organization was built up and put in operation, and now it is functioning in as nearly a perfect manner as it is possible for a human organization to function. What was the result? The hon. member for Weyburn (Mr. Young) could tell you the result; he has already told the house At page 1041 of Hansard, speaking of the Prime Minister, my hon. friend said:

> He boasted the other night of the achievements of the Saskatchewan Relief Commission; he told us how efficient they were, how honourable and trustworthy, how impartially they had done their work. I agree with him. There is credit coming to that commission. From what I have seen they have functioned efficiently and impartially from the time they first began to function. No doubt if my hon. friend had so desired he could have set up a commission that would have played politics and would have tried to make political capital for himself and for his party out of the situation: but he did not do so, and we give him credit for it.

Does the ex-Minister of Agriculture expect me to apologize, after a man of that character has been appointed to be general manager of the commission, simply because he organized my campaign? My only regret is that I cannot take all the credit for having had that man appointed as head of the commission. Not only has the commission functioned efficiently and impartially, but there has not been even a suggestion of graft made in connection with it, though it has handled millions of dollars. I think this is one of the few times in the history of Canada that such an undertaking has been accomplished without some suggestion of graft or mismanagement.

Then there is another feature. There never has been such an undertaking carried on at such small expense. I happened to be in Regina a few weeks before I came down here, and there I met a lady who is a very good supporter of the Liberal party. I was talking to her, and she referred to the right hon. leader of the opposition (Mr. Mackenzie King). She said to me, in a very confidential tone of voice, "You know, he is our greatest expert on the cost of relief administration, and he tells us that you cannot administer relief at a cost of less than 18 per cent." Of course he was talking of relief carried on under Liberal administration. The cost of administering this relief in Saskatchewan will be less than 4 per cent; as a matter of fact I think it will be less than 3½ per cent. No such record has ever been made before, but the ex-Minister of Agriculture comes along and says, "I have not much to say about Mr. Daniel; he is a good man, but a Tory organizer."

Going a little further, Mr. Speaker, I wish to make just one more reference. The fame of this Saskatchewan Relief Commission has spread far and wide; letters come to its offices almost daily from all over the United States and other countries of the world, asking how the commission is operated and how it was set up, and inquiring as to the secret of its unprecedented efficiency. Such is the fame of the commission with which my hon. friends tried to find fault.

I want to refer further to the speech of the former Minister of Agriculture. At one point in this speech I began to get rather apprehensive; I thought that something had really happened of which I had not heard. He is reported on page 1060 of Hansard as having said:

> Mr. Kendall, therefore, holds the key to the entire position. How has he used it?

A question like that naturally makes one a little apprehensive. He continued:

> I will speak only of my own municipality and allow the house to come to its own conclusions.

It is a little hard for anyone living in Saskatchewan to know just how to find the municipality of the hon. gentleman. It might be in the electoral district of Assiniboia, it might be in Qu'Appelle, Melville or Kindersley; one is in danger of getting lost when

trying to find this itinerant parliamentarian and gypsy politician. However, if one follows his trail he will find where the covered wagon is parked, and most likely that will prove to be the former minister's political home for the time being. That may be where his municipality is, but I do not know.

After the ex-minister told us of what had been done in his own municipality, we on this side began to feel a little nervous. I will read on and see what this dastardly thing was in connection with which he asked the house to come to its own conclusion. He said:

There were ten relief officers there, one being paid and nine non-paid. The paid officer is Mr. J. R. Dinnin. If the hon. member for Qu'Appelle (Mr. Perley) is here,—

I began to get frightened right there.

—he knows that you cannot get a more respectable citizen than Mr. Dinnin. As it happens, he was my Conservative opponent in 1925.

The former minister continued:

I will guarantee that he will discharge his duties as squarely as he knows how.

I began to feel a little relieved, and then I began to think that he could not be giving all this commendation unless there was something desperate to follow. He continued:

Then you have three of them. Of the other seven, six are Conservative.

I began to wonder what was coming next. He said:

I have not a word to say against them,—

That struck me as being rather peculiar. I thought perhaps if he had not a word to say against any one individual he would have something to say against them collectively, but here is what he said:

—but they are no good to me in election time,—

That is the thing which he left to this house to be judged. The minister of elections is running true to form.

Mr. MOTHERWELL: Finish that sentence.

Mr. BEYNON: He said:

—although they are a lot of good to the other fellow.

Mr. VALLANCE: That is the reason why they are there.

Mr. BEYNON: Then he went on to try to make out that a deal had been put over on the Liberals. He said that a Liberal had been appointed here and there to act as a scapegoat, so that if any blame was to be put upon the commission it could be saddled on the poor Liberals. I think his own fellow members have answered this. The hon. member for Last Mountain (Mr. Butcher), and the hon. member for Weyburn have said that no scapegoat is necessary, that no fault can be placed on anyone. The former minister continues:

They have appointed a body that is actually worse than if it were one hundred per cent Tory,—

If there were Liberals on it, of course that would be true. It is sometimes necessary to sacrifice efficiency in order to be fair. Wherever a Liberal was appointed, an extra good Tory was placed alongside him and the thing worked out very nicely.

That is the whole sum and substance of the criticism by the former Minister of Agriculture of this commission. His whole cry is that Mr. Daniel was a Conservative organizer, If there is a job to do and there is a qualified man available—the former minister says himself he was an efficient organizer—one does not stop to question the man as to his politics, his race or his creed. That is exactly what we did in the formation of this relief commission in Saskatchewan, and the fact that hon. members on the other side have stood up and given it a clear bill of health is the best evidence of what we have accomplished.

The former minister then devoted a little time to another gentleman, Mr. P. H. Gordon, K.C., of Regina. I happen to know Mr. Gordon, he has practised law in Regina for a great many years, having commenced as a young man. He has worked up to the top of his profession and there is no citizen in Regina more highly respected than Mr. Gordon. He is a gentleman who stands high in his profession and in the community, and has devoted himself to the public service in all branches of community work. He was asked to assist in the supervising of this commission. There was no remuneration attached to the position and he was a very busy man, in fact, no lawyer in Regina has more cases in the courts of appeal or in the trial courts than Mr. Gordon. He told me that this work takes up about nine-tenths of his time, and all the thanks he gets is to have the former Minister of Agriculture come here and throw out insidious insinuations, veiled inferences and subtle innuendos. How can we expect the people of this country to come out and render public service if this is the treatment they are to get from an ex-minister of the crown, a man who should stand up for all that is best in this country and have some regard for those who are trying to render service in a time of crisis?

He then said that the present Minister of Agriculture (Mr. Weir) should have resigned rather than to allow his estimates to be cut. The former minister has made a great contribution to agriculture. The following report appeared in The Leader-Post of Regina, on October 19:

> That a fresh foundation had to be laid for agriculture in Canada both east and west if the country and towns are to be saved, was the statement made Saturday morning by Hon. W. R. Motherwell, of Abernethy, Minister of Agricullture in the King administration.
>
> The task ahead is beyond the lone effort of any individual or any government, according to Mr. Motherwell. He believes a royal commission can get at the facts, can find out how other countries have met the physical problems confronting Canadian agriculture to-day, and will have prestige enough to cause the country to take note of what has to be done.

He acted for thirteen years as provincial Minister of Agriculture and for nine years as federal minister, and yet he says that a new foundation has to be laid for agriculture and a royal commission should be appointed to find out the facts. I do not know anything about the facts, and if I did I have not the prestige to get the people to listen. The hon. member comes along and says to the Minister of Agriculture that he should have resigned rather than submit to a cut in his estimates. He looked over at the minister and said: I resigned once from the government and I stayed resigned until I got what I wanted. That is true. He did resign. As I watched his face the other evening, I just wondered whether he had seen the joke or whether he thought we had not. The fact is that he stayed resigned and when he handed in his resignation to the government, the government got what it wanted. Consequently, it withdrew the obnoxious measure, but held it in readiness lest the cat should come back. Ever since then the hon. member has been a little slow about resigning, and that perhaps accounts for the fact that he did not listen to the pleadings of his present leader when he wanted to use him as an instrument to redeem his long-forgotten pledge to reform the Senate.

There was one other matter to which the ex-minister referred, and I should like to mention it. He said that we on the back benches, along with the ministry, must share the responsibility of standing behind the Prime Minister, and he threatens us with political extinction, political death if we do not rise up and by our resignations compel the Prime Minister to take some other course than the one he has taken. Well, you know there are some leaders who need to be bullied in that way. Then there are others who are in a position where they do not need bullying. If there is some question as to whether the leadership should remain in Prince Albert, or be taken to Nova Scotia, or perhaps out to Vancouver, then a leader is very sensitive and responds very quickly to any threat of resignation. But if a leader has a good, substantial and loyal following; if he has personality and force of character, and if he outlines a policy that will appeal to his followers, he has not very much to fear in going ahead and carrying it out; and even the admonitions from the other side are not likely to do him very much harm.

The hon. member wanted to know why we took promissory notes; and further, what authority we had for taking them. He said that the people of Canada had not urged this. I hold in my hand a clipping from the Leader-Post of February 18, 1932, and one would almost think it had been prepared by the hon. gentleman himself, because the body of it is so very far from the headline that it sounds quite Liberal:

> Farmers deny Bennett statement they asked to sign relief notes.

That is the headline. Then it goes on:

> There are scores of farmers receiving relief in the drought areas of Saskatchewan, who do not agree with the statement from Ottawa, quoting Right Hon. R. B. Bennett, Premier of Canada, as saying Wednesday that "the system under which drought sufferers in southern Saskatchewan who obtained government relief were required to sign promissory notes was adopted at the request of the beneficiaries themselves."

Just listen to this:

> Two of many such are F. C. Parchman and J. H. Hicks, Laflèche,—

An hon. MEMBER: They found two.

Mr. BEYNON: Yes, and they are down in the constituency of the hon. member for Willow Bunch (Mr. Donnelly).

> —who told the Leader-Post Thursday morning that they had not made any such suggestion, even to the municipal officials, when these officials started to organize for relief in June, 1931.

So there are two men in Saskatchewan who had not suggested that.

Both Mr. Hicks and Mr. Parchman said—

It is qualified here.

> —they had no recollection of suggesting promissory notes in payment of relief—

Listen to what follows.

> —but—

This sounds like the hon. member for Labelle (Mr. Bourassa).

—but they agreed with the principle of repayment of an advance by promissory note. Both said they did not want to get anything for nothing, that they wanted to pay for what was advanced to them. They added that all the farmers they knew in their district were of the same opinion.

Yet this is quoted as purporting to deny what the Prime Minister said about this taking of notes being at the instance of the people themselves. That is the best story they could make out.

As to the right to take such notes, the ex-Minister of Agriculture the other night held the act up and said: Where in this act is there any authority to take a lien note? Where in this act are there provisions for seed grain liens? He referred to the fact that he had consulted the ex-Minister of Justice (Mr. Lapointe) and that the latter had assured him there was no such provision in the act. Need it be stated to the house again that property and civil rights are entirely within the jurisdiction of the provinces; that this relief is being given to the provinces; that the money is being sent out there and paid to those people through the provinces; that they have passed the legislation respecting seed grain liens, and that any man who pays money has, under the law of Canada, the right to get a promissory note if he wants one? Frankly, I think he was putting a little more than was right on the shoulders of the ex-Minister of Justice, and from the aspersions of his colleague I would rescue the reputation of the ex-Minister of Justice.

There is only one other point with which I want to deal. A good deal has been said by the other side about the matter of cooperation. Whenever we mention that, they say: You do it in this way and we will cooperate. That is rather characteristic of the Liberal party; they believe they govern this country by divine right, and that they have a right to govern it whether they are in opposition or on this side of the house. Consequently, when they go over there they say: We will cooperate with you if you will govern the country in the way we tell you to, and on no other basis will we cooperate. In other words, they say: Whether we are on the government benches or in opposition we are going to be the government or there is going to be no cooperation and there is to be no passing of the business of the house in a reasonable time and in a reasonable way.

That is the attitude of hon. gentlemen opposite. The people of Canada, and particularly of western Canada, are not going to forget the attitude of the opposition when they say: You have to put through this relief measure in the way we tell you or it is not going through the house without a great deal of delay.

Mr. J. K. BLAIR (North Wellington): Mr. Speaker, the hon. member who has just taken his seat says that this side of the house believes in divine right. I am inclined to think that is true, but we believe in the divine right of vox populi, vox Dei—the voice of the people is the voice of God. We do believe in divine right, but we do not believe in the divine right of any individual.

The issue before us is an old one. It has arisen in every age and in every country. It is simply a matter of who shall control the treasury of Canada. We do not believe the representatives of the people should hand over control of the treasury to one individual. It is bad enough when the Conservative party as a whole has control of it, but it will be very bad if one individual has control. On this side of the house we are prepared immediately to vote to the government any reasonable sum they will suggest, but to give absolute control of the treasury so that he, the Prime Minister (Mr. Bennett) can use that money when, where, how and as much as he wishes, is not Liberalism and is not in harmony with the British constitution. I cannot understand how any individual could ask for such power. Can you imagine, Mr. Speaker, a school section, a township, or any organized body of men saying to one individual: Here, you take charge of all these moneys that we vote, and spend them how, when, where and as much as you please. While the government has no doubt power to vote this legislation through the house, under the pretence of an emergency measure, we would not be true to ourselves or to the British constitution, to Canadian traditions or to the spirit of our fathers, we would indeed be traitors to the constituencies that sent us here and would write down our names in disgrace in Canadian history, if we allowed a measure of this kind to go through without lodging a strong protest. Often there has been observed in this country a tendency to remove control of expenditure from the people who pay the taxes. We find that same tendency in the school sections and in the townships and counties. We have noticed it in our home districts for years. I have always earmarked it as a Conservative tendency, and now I am sure that it is, because right at the summit, here in the federal capital, we find the Prime Minister asking that this domineering role of having complete control of the treasury be assigned over to him. He in effect simply

says to us: You are only the representatives of the people; hand over the treasury to my care.

It is a peculiar coincidence, Mr. Speaker, that we should just be passing the Ides of March. Caesar was a man of exceptional brain power, perhaps the brainiest man in Europe. So large was his brain that natural birth was impossible. He became dictator of Rome, and the politicians, suspecting that he would acquire complete control of the government, had him put to death on the 15th of March. The Roman governors were afraid that Caesar would get absolute control of the treasury, but Caesar perhaps had qualities to recommend him for such a high position. The temples were filled with his statues; everywhere laurels were heaped upon him. He had won victory after victory. All nations were at his feet. He was put to death by his best political friends, not that they loved Caesar less, but they loved Rome more. But I do not think the present Prime Minister has won so many laurels. He was handed the gift of an election by the people, but that was something passive, not active. There is a vast contrast between Caesar and the present Prime Minister. This attempt to take control of the expenditure away from the people has been made time and again in British history. The Stuart sovereigns wished to have control of the British treasury, and in consequence of the struggle that ensued one of the Stuart kings lost his life. We find the same thing coming up in connection with the family compact. We all remember the misery which it caused to the poorer classes of the people in this country, but after a long struggle the people in Canada, with the aid of the British government, got control of the treasury. We say, Mr. Speaker, that having gone through that struggle, history should not be repeated here to-day, but we are being asked now to hand control of the treasury over to one individual. No; we firmly believe in the principle that the people who pay the taxes should have absolute control. People should vote for their own pockets.

Speaking of the money that was appropriated for unemployment relief last session, I wonder if hon. gentlemen observed that out of every $100 spent, only $30 went to the labouring men. That just shows how leaks can occur in public expenditures. It would be interesting to know where the other seventy per cent went. The hon. gentleman who has just sat down (Mr. Beynon) spoke as if some of it went to some of the Liberals who had charge of administrating these funds in different parts of the country. Certainly it did not look good to some of us that seventy per cent of the money should go to the white collars and only thirty per cent to the labouring men.

Mr. TURNBULL: Is it not a fact that seventy per cent was spent largely for materials which in turn were the products of the labouring man?

Mr. BLAIR: I am not sure that seventy per cent went into materials, but no doubt a considerable part of it did. I understand that in British Columbia many of the materials and supplies are lying around and have never been used. I have it on good authority that a great many of the tools, for instance, were never used, but were given over to individuals. But no doubt some of the seventy per cent went into the purchase of supplies.

Speaking about wages, I would refer to the cut that was under discussion here in this house the other day. The general principle was not altogether right. The first suggestion was that there should be a horizontal cut of ten per cent in all civil service salaries. Then at the request of some hon. members that proposal was changed so that the smaller salaries were cut only five per cent. That principle should have been carried still further, so that those receiving salaries of fifteen or twenty thousand dollars should be subjected to a greater percentage of reduction than those drawing salaries or indemnities of four thousand dollars. I also believe that the mounted police and the naval and militia staffs should have received the same cut as the rest of the service, and that judges should have had their salaries cut just as much as members of parliament.

The Prime Minister in his attitude towards labour shows plainly that he does not understand the poorer classes. It may not be his fault. Perhaps he has not had any experience with them. To understand people you have to sit where they sat; you have to have had similar experiences. The Prime Minister and this government have a tendency to hand to the poor a bowl of soup or some food. There is too much of the attitude of "take that and go." What the government is doing to-day makes no provision for the future. It is an improvident way of looking after the unemployment situation. We do not think Canada can keep up this incessant giving. Of course we must necessarily feed those who are in need, but we should look to the future and take steps to obviate as much as we can a repetition of present conditions. In this country we are blessed with vast resources, and surely

the government is not so barren of constructive ideas that no provision can be made for giving the people continuous work. We have vast forests, mines and fisheries, and we should devote some attention to their development, rather than be content with handing out a dole, a policy which we all dislike.

The farmers in this country are being taxed almost to bankruptcy. The debts of the farmer could easily be reduced by lowering the price of the things he has to buy. Reducing the tariff would do that. His debts could also be reduced by increasing the prices of the things he has to sell. That could also be done by lowering the tariff. Another great help would be to reduce the interest rate on money. I think when the rate of interest was raised a fatal mistake was made. The high rate of interest was due to a wrong idea on the part of the Conservative governments, both federal and provincial. The fact that government loans were oversubscribed showed that the money could have been secured at a lower rate of interest. I am told that the last provincial loan carried a rate of six and one-half per cent. How can the farmer expect to get a mortgage if a man with money to invest can secure a government loan carrying a rate of six and one-half per cent? Where is the town man to get money to place a mortgage on his house? It will be practically impossible for the farmer, the labourer or the tradesman to pay that rate of interest for mortgages.

I believe rural Ontario should not be asked to care for the unemployed in the cities. Factory owners in large centres, such as the city of Toronto, are subsidized in times of prosperity by tariffs, and supported in times of adversity by direct taxation. The wealthy people in the city of Toronto should make provision for their own poor; that responsibility should not be left with the federal government. One measure which showed the disposition of this government, and which to my mind was a great mistake, was the heavy tax on overalls, children's clothing and baby carriages. I think the government in placing a tax on baby carriages showed a most contemptible spirit. It is unfortunate that the wealthy men in Canada should want to extract a tax from children. Even school supplies are subjected to taxation.

Before the election the Prime Minister was very happy to state on many occasions what he was going to do. He was going to do this and he was going to do that. In Toronto some time ago, speaking about conditions in Canada, he said that nothing but the grace of God could save the country. Before the election he was going to save it, but it would seem that after the election he is content to sublet his contract to the Deity. I do not know if the Deity will take up the contract; I should think the Prime Minister would have to carry on his own business. I am afraid he cannot expect the Deity to study the laws of economics so that his plans may be fulfilled. He has undertaken his task, and I think he will have to continue.

One remarkable feature about the present government is that although we are in the third session they have never acquired the use of the past tense. In the utterances of government members one may notice its absence. As hon. members opposite have been speaking I have sat in my place and jotted down the tenses they have used, and the remarkable fact is that they almost always use the future tense. A few days ago one of the ministers, it is true, during the course of his remarks used the past tense, but he qualified it by employing the subjunctive mood. Broadly speaking, however, the government have not been using the past indicative tense; they do not tell us of what has been done. When one measure fails they hold out great promises for the next; when the next one fails, we have promises of another, and so on. That is the way the people are led.

I have to admit that they are making an effort to feed the people, but I do not think hon. members opposite will congratulate themselves on the fact that they are handing out doles. To my mind that constitutes an open declaration of weakness of the government. That doles should be handed out is an indication of the inefficiency of the government of our country. One thing after another undertaken by the government seems to be full of disappointment. The public expects help, and when they reach for it they find nothing but the apple of Sodom, which resolves itself to ashes in their hands. That has happened so repeatedly that in the minds of our people there has developed an element of distress and disappointment.

Hon. members will recall that the special session of 1930 was called with great dramatic effect. I have no doubt an attempt was made to impress upon the past government the fact that they had neglected their duty. The fact that a special session was necessary was advertised in all the papers and trumpeted far and wide. Now, however, at a time when unemployment is far worse, when people are starving, when thousands are unemployed, practically no legislation to relieve the situation is brought forward for the consideration of parliament. What are the great questions before us? First we were informed by the

Minister of Justice (Mr. Guthrie) that somebody had paid somebody else's railway fare, and some distant Liberal had made a remark about it. We were not interested nor did we care who paid the railway fare. Next we had to consider the boundary line between Alberta and British Columbia. We did not care much about that boundary line. Next we had to consider juvenile delinquents, and then legislation concerning fish inspection, and then a change in the Patent Act.

In times of distress I cannot understand why we have been called here to blather about all this nonsense which has been lined up for us by the Minister of Justice. The matters I have mentioned are at this time of no interest to the people of Canada. What did we care about a trip to New York, or who paid the fare? What did we care about the juvenile delinquents or the boundary line between Alberta and British Columbia? Not one of those questions is of importance to the country as a whole. The great problems have been left unsolved, and have not been brought before us for discussion.

The government make so many mistakes that I sometimes feel they should hold post mortems on the enterprises in which they have failed. I am sure the government would derive some benefit if they adopted my suggestion, because when a patient dies and is examined by the doctor he is sure to find where the mistake was made. Whether or not the government were able to find their mistakes, I feel they would get the benefit of suggestions which might help them in the future. Members of the government must be very expert bridge players; they never hold post mortems. When they make failures, one after another, they go right ahead and try something new.

The government would have done well to give further consideration to its tariff changes. In that connection I should like to read an article which appeared in the Toronto Daily Star:

> Thirty nations in 1931 hit back at Canada for soaring tariffs. France and South Africa copied the anti-dumping measures passed by Canada against Great Britain when the mother country went off the gold standard, imposing them against Canadian produce on the ground that the Canadian dollar was depreciated in the currencies of France and South Africa.

The question of trade has been discussed many times in this house. I remember on one occasion we were told by an hon. gentleman that trade is war, while the right hon. leader of the opposition (Mr. Mackenzie King) told us that trade is exchange. Last year at Buenos Aires the Prince of Wales gave this definition of trade:

> Failure to recognize trade as interchange, and obstacles placed in the way of reciprocal trade are perhaps the main causes for the world's present troubles. The British people have the idea of commerce running strong in their blood.

That speech was not made inadvisedly or thoughtlessly; no doubt it was the summary of the views of the leading British statesmen. When it comes to placing obstacles in the way of reciprocal trade, this government affords us a striking example in its policy towards Russia. I think we lost heavily by the government declining to have any further trade relations with the Russians. The glory of Britain and her sons is that they will trade with any country in the world, regardless of its religion; whether it be Turkey, China, the Fiji islands, it makes no difference to Britain whether her customers are Mohammedans, Confucians or cannibals, she never attempts to interfere with their domestic concerns.

I believe the time is not far distant when in our churches instead of praying "Help us to be subservient to those that rule over us," we shall pray for judgment to elect sensible rulers. Our prayer will be the prayer of a citizen, not the prayer of a slave. The present prayer has come down to us from a thousand years, and I think it might well be dispensed with. If we prayed for judgment to elect sensible rulers it would give an element of individuality and sturdy citizenship to our people. I do not think our churches that pray so fervently for the British empire can slap the Imperial conference in the face. Neither can I understand how the church with one hand lifted in prayer can with the other slap the Imperial conference in the face at a time when Britain is in dire distress. Neither can I understand how our lodges that wave the flag of patriotism with one hand can slap the Imperial conference in the face with the other. We made a great mistake when we loosened our connection with British trade and commerce. In my view the Imperial conference was the economic Vimy ridge of Canada and it was up to us to have held that position. We lost it simply because our Prime Minister wanted to be the generalissimo of the conference.

The members of the government have tried to maintain prices at a high level, even though they knew wages were cut on every side and many men were filling the ranks of the unemployed. The great masses in the lower ranks are rapidly deteriorating. We are in an age of poverty and disease. Our

tubercular hospitals are full and hundreds of patients are on the waiting list. The people are not getting the care and comforts they got under the preceding government. They are not properly fed, they are not properly clothed, the school children are suffering from lack of food and clothing, and while they are being helped to a certain extent there is not sufficient provision made for their physical safety.

We have heard reference made to a sales tax. In my opinion this is a very injurious tax to the poor classes. Congressman Cannon said:

> A sales tax is the most iniquitous, most reprehensible, most unconscionable device for plundering the people ever devised since the days of Captain Kidd. Secretaries of the Treasury possessing vast fortunes all urge a sales tax, wealthy profiteers urge a sales tax. The requests of these men we understand. They want to lift the burden of the government from the great incomes to the backs of the farmers, the wage earners, the small tradesmen, to the mass of the people. They want to shift the burden of taxation from the rich to the poor and they know the sales tax is perhaps the most convenient way of doing so.

I should like to enumerate a few things which to my mind show that in many particulars the government favours the rich. Its preelection promises to the poor were absolutely broken. I grant that you give them the dole all right; but that is not what you promised them,—you promised employment. You promised the farmers a reasonable market for their wheat; that promise has been broken. You ruined our butter industry by allowing butter to come in from New Zealand and then releasing it all in one day. You increased unemployment. You spoiled our trade relationship at the Imperial conference. You raised the interest rates on money, trying to carry the rich people in an economic sedan chair. You reduced wages. In this connection I may say that one of the great difficulties at the present time is that there is too much money at the top and too much poverty at the bottom. How can we improve the condition of the people by reducing wages? It seems to me that to reduce wages simply aggravates an already bad condition. Since this government has been in power we have seen trade and commerce stagnate, our railways ruined and our farmers driven into bankruptcy. There was a time when a Roman took pride in his citizenship. As Rome became wealthier, tolls were levied on the highways and the tax collector was always at the gate. As a result the money came pouring in to the wealthy people while the poor classes became poorer, and this continued until the wealthy people became indolent and lethargic. The poorer classes were largely composed of people who had become slaves either through failure to pay their debts or through being taken prisoners of war. So it went on until there were a great many poor people and a large number of very wealthy people, while the intervening middle class, upon whom they depended for the defence of the empire, kept getting smaller. As a consequence, when they were called upon to fight they could not rely upon their slaves; the wealthy people were not capable of going into the army, and the middle classes were few in number, so eventually the Roman empire fell.

In our own country we have some people moving into the upper classes, but we have also a great increase in the poorer classes, and I believe that the tariffs and tolls that we are collecting have a tendency to make the rich richer and poor poorer. I believe that in this country, as in Rome, if we keep on levying taxes on everything that is bought and sold by the poorer classes, eventually the upper classes will become very wealthy. You know, in every country we have two kinds of parasites; we have those of the poorer class who cannot maintain themselves properly, and we have the parasites of the upper class as well. In other words, we have parasites patrician and parasites plebeian, and of the two the parasites patrician are the most dangerous. You can see the parasites plebeian; you know where they are and what they are doing, but the parasites patrician are hidden in the background, and it is impossible to watch them. So I say the parasites patrician are much more injurious than the parasites plebeian; they will bleed you economically.

Mr. NICHOLSON: I would ask you, Mr. Speaker, to call it eleven o'clock.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Wednesday, March 16, 1932

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No. 33, respecting The Montreal Terminal Company.—Mr. Bell (St. Antoine).

CANADIAN NATIONAL RAILWAYS

PROVISION OF MONEYS TO MEET EXPENDITURES AND INDEBTEDNESS IN 1932

Hon. R. J. MANION (Minister of Railways and Canals) moved for leave to introduce Bill No. 34 respecting the Canadian National

Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1932.

Some hon. MEMBERS: Explain.

Mr. MANION: The purpose of this bill is to permit the Canadian National Railways to issue securities to the extent of $61,500,000 for their budget requirements in the coming year. I shall give a fuller explanation on the second reading.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

BAY STE. CATHERINE-TADOUSSAC FERRY SERVICE

Mr. CASGRAIN:

1. What is the name of the person who was awarded and now holds the contract for the ferry service between Bay Ste. Catherine and Tadoussac, in the county of Saguenay?
2. What amount does he receive?
3. What is the name of the ferry boat used on the service?
4. Does the engineer on said boat possess a certificate?
5. Is said boat provided with life-saving belts in case of accidents?
6. Have complaints been made to the government in connection with the unsatisfactory service given by said boat during the months of November, 1931, and January and February, 1932?
7. Is the government aware that said boat does not carry on a regular service between Tadoussac and the parish of Sacré-Coeur, on the Saguenay river?
8. What is the name of the person who at present has the contract?
9. Were tenders asked before awarding said contract?
10. If so, what were the names and addresses of tenderers, and the amount of their tenders, respectively?

Mr. CAHAN:

1. Captain Arthur Deschenes, Tadoussac, P.Q.

2. Subsidy is at the rate of $4,000 per annum.

3. N.B.T.

4. When the vessel was inspected on the 15th of August, 1931, the engineer had no certificate but he was examined then by the steamship inspector who reported that he had the required knowledge to permit him to take charge of the machinery of the vessel. No objection was taken to the engineer continuing to act pending the submission of testimonials of service.

[Mr. Manion.]

5. When the vessel was inspected on the 15th of August, 1931, she was provided with life-saving belts.

6. No.

7. No. Trips to Sacre-Coeur are not required by the contract after the end of November. Four trips were omitted to Sacre-Coeur in the last two weeks of November, and a corresponding deduction was made from the subsidy paid.

8. Answered by No. 1.

9. No.

10. Answered by No. 9.

POINTE-AU-PIC WHARF KEEPER

Mr. CASGRAIN:

1. Has Captain Henry Gagnon, keeper of the wharf at Pointe-au-Pic, in the county of Charlevoix, been dismissed?
2. If so, were complaints lodged against him, and by whom?
3. What was the nature of the complaint?
4. Was an inquiry held before the dismissal of Mr. Gagnon?
5. If so, what is the name of the commissioner who held the inquiry?
6. What is the name of the person who replaced Mr. Gagnon?
7. By whom was said person recommended?
8. Did said person pass the required civil service examinations?

Mr. DURANLEAU:

1. Yes.

2 and 3. Charges of political partisanship were preferred against Captain Gagnon by Charles Lajoie, Jr.

4. Yes.

5. Major E. Theodore Paquet.

6. Joseph Forgues, who resigned October 30, 1931, and was succeeded by Charles Lajoie on the 23rd of November, 1931.

7. Mr. Forgues was recommended by the Honourable Maurice Dupré, and Mr. Thomas Maher. Mr. Lajoie was recommended by the Honourable Maurice Dupré.

8. The position is exempt from the operation of the Civil Service Act.

NATURALIZATION OF ALIENS

Mr. RINFRET:

1. How many aliens have been naturalized during the course of the fiscal year 1930-31, and the fiscal year 1931-32, to date?
2. Of that number, and in those respective years, how many have been naturalized after the recommendation of a court, according to section 22 of the act?
3. How many have been granted their certificates under other sections of the act?

Mr. CAHAN:

1. 1930-31, 21,392; 1931-32 (to January 31), 27,817.

2. 1930-31, 20,329; 1931-32 (to January 31), 26,838.

3. 1930-31

Section 4 (5)	20
(Repatriation, married women and Canadian born naturalized in U.S.A.)	
Section 6	3
(Doubt as to nationality)	
Section 7 (2)	1
(Minors)	
Section 8	1,039
(Exchange local naturalization for imperial)	
Total	1,063

1931-32 (to January 31)

Section 4 (5)	6
(Repatriation, married women and Canadian born naturalized in U.S.A.)	
Section 6	2
(Doubt as to nationality)	
Section 7 (2)	2
(Minors)	
Section 8	1,066
(Exchange local naturalization for imperial)	
Total	1,076

REVENUE FROM PRINCIPAL SOURCES

Mr. RINFRET:

1. What revenue has Canada derived, during the fiscal years 1930-31, and 1931-32 to date, from the following sources: (a) customs; (b) income tax; (c) sales tax; (d) other excise taxes?

Mr. RYCKMAN:

	1930-31	1930-31 11 months	1931-32 11 months
(a) Customs duties	$131,208,774 00	$118,746,338 00	$92,873,649 00
(b) Income tax	71,048,022 05	70,248,751 29	60,042,860 59
(c) Sales tax	23,438,847 00	24,035,088 00	36,379,148 00
(d) Other excise taxes	14,587,962 00	10,562,225 00	15,978,676 00

WAR REPARATIONS

Mr. RINFRET:

1. How many cases of war reparations are still outstanding?

2. When may we expect the final report of Commissioner McDougall?

Mr. CAHAN:

1. 368 cases.

2. When the hearing of the claims is completed and assessments made.

NATIONAL SERVICE LOAN, 1931

Mr. GARDINER:

1. What was the total amount of money borrowed under the National Service loan of 1931?

2. How much commission was paid to the banks?

Mr. RHODES:

1. $221,198,200.

2. $989,638.21.

CONVERSION LOAN, 1931

Mr. GARDINER:

1. What was the total amount of bonds converted last May when the Dominion government floated the conversion loan?

2. What was the total amount of commissions paid to the banks: (a) on bonds converted by them direct with their clients; (b) on bonds handled by them for dealers?

Mr. RHODES:

1. $638,609,300.

2. (a) $911,281; (b) no payment by government.

ST. LAWRENCE WATERWAY—CORNWALL SECTION

Mr. RALSTON:

What is the estimated cost for right of way of lands which will be flooded in connection with the development of the Cornwall section of the St. Lawrence waterway project?

Mr. BENNETT: I think the hon. gentleman will perhaps drop this question. It is not a proper question to answer at this time in view of the negotiations that are being carried on between the United States and Canada.

BANKRUPTCY ACT

Mr. SEGUIN:

1. Have representations been made to the government on the ground that the operation of the Bankruptcy Act, in so far as it applies to the farmers of Quebec, is harmful to their credit?

2. If so, will the government take steps for the betterment of such a condition?

Mr. GUTHRIE: No representations have been made to the government that the operation of the Bankruptcy Act is harmful to the credit of the farmers of Quebec. Representations have been made on behalf of the

farmers of Quebec, but not in respect to their credit. When the resolution now before the house in respect to an amendment to the Bankruptcy Act comes up for discussion, those representations will be laid before the house.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MONTREAL HARBOUR COMMISSION—COAL

Mr. TAYLOR:

1. How much coal was purchased by the Montreal harbour commission from the Canadian Industrial Coal Co., Ltd., and the International Fuel Co., Ltd., from January, 1922, to June 1926, and from October, 1926, to August, 1930?
2. What price was paid for this coal and was the price as low as the lowest tender?
3. What documents have the Montreal harbour commission on file showing the accuracy of weights?
4. Who was the chairman of the Montreal harbour commission during these periods?

CANADIAN NATIONAL PIER, VANCOUVER

Mr. REID:

1. What was the total monetary loss due to the burning, in 1930, of Canadian National pier, Vancouver harbour?
2. How much did this pier cost?
3. Had curtain walls, bulkheads or other cut-off for fire protection been provided and built in the substructure of the burnt pier?
4. Who designed this pier and who supervised construction?
5. What was total amount paid and to whom on account of engineering services re burnt pier?
6. What was the total cost of replacement (present pier), also cost of removing wreckage?
7. Were contracts on both cases awarded on competitive public tenders and on what basis, unit prices, etc?
8. Who were the contractors?
9. What was total amount paid and to whom on account of engineering services re replacement work (present pier)?

LAPOINTE PIER, VANCOUVER

Mr. REID:

1. What is the necessity for the extension of Lapointe pier by the Vancouver harbour commissioners at this time?
2. Has the demand for existing berthage under the administration of the Vancouver harbour commissioners been taken into consideration in granting approval of this proposed expenditure?
3. What is the length, width, total estimated cost and estimated time of completion of this extension?
4. What is the type of substructure design with total height of same and what is the maximum height of the proposed gravel fill?
5. What is total estimated yardage, contract price and name of contractor in respect to the gravel fill?
6. How many men, approximately, are employed per day by the contractor in making the gravel fill?

[Mr. Guthrie.]

UNOPPOSED MOTIONS FOR PAPERS

UNEMPLOYMENT RELIEF—QUEBEC

Mr. POWER:

For a copy of all correspondence exchanged between the director of unemployment relief of the province of Quebec and the director of unemployment relief of the Dominion of Canada, concerning the authority and jurisdiction of the inspectors appointed by the federal government to supervise unemployment relief in the province of Quebec.

GABAROUSE, CAPE BRETON, CUSTOMS OFFICER

Mr. CASGRAIN (for Mr. Ralston):

For a return of all evidence and reports relating to the dismissal of Mr. J. A. Spray, in July, 1931, from the office of customs excise enforcement officer, stationed at Gabarouse, Cape Breton.

LITTLE SANDS, KING'S COUNTY, P.E.I.—BREAKWATER

Mr. MacLEAN:

For a copy of all engineer's reports, petitions, correspondence, and paysheets, giving in detail the name of each person employed, and the amounts paid in each case for labour, also the amounts paid for lumber and all other materials, and from whom bought, including truckage, in connection with the building of a breakwater at Little Sands, King's county, Prince Edward Island.

CANADIAN NATIONAL RAILWAYS

PURCHASE OF RAILWAY TIES UNDER UNEMPLOYMENT RELIEF ACT

Mr. REID moved:

For a copy of all letters, telegrams, contracts and other documents in connection with the purchase of railway ties under the Unemployment Relief Act of 1931, showing the names of the contractors or persons who were given orders for the making of railway ties or of supplying the Canadian National Railway Company with ties, with the prices paid, also showing the points throughout Canada where such railway ties were to be delivered.

Mr. MANION: I am sorry that I cannot agree to the passing of this notice of motion. The attitude has always been taken both by the late government as well as by this that it is not for the good of the country or for the good of the Canadian National Railways to give out this type of information. The railway takes that attitude, and for these reasons I must oppose the passing of this motion.

Mr. MACKENZIE KING: May I point out that this is a request for information as to expenditures under the Unemployment Relief Act of 1931, and the Canadian National

Railway has no right or authority in the matter, nor can it object to the giving of information in this regard.

Mr. MANION: These expenditures under the Unemployment Relief Act were made by the Canadian National Railway. The Canadian National Railway makes the contracts and looks after all the details. So far as giving the amount paid by the government to help unemployment is concerned, there would be no objection; but the government has no information at all as to the details of expenditures by the Canadian National Railways. The Canadian National Railway takes the attitude in regard to contracts of all kinds, contracts of this kind and others, that it is not in the interests of the company to give out such information.

Mr. MACKENZIE KING: This order is for a copy of all letters, telegrams, contracts and other documents in connection with the purchase of railway ties under the Unemployment Relief Act of 1931. It relates entirely to the Unemployment Relief Act of 1931. The order goes on:

—showing the names of the contractors or persons who were given orders for the making of railways ties or of supplying the Canadian National Railway Company with ties, with the prices paid, also showing the points throughout Canada where such railway ties were to be delivered.

The motion is exclusively with respect to payments made for ties under the Unemployment Relief Act of 1931. They may have been distributed to the Canadian National Railway, but they were, or are to be, paid for out of moneys provided by this parliament under the provisions of an act which this parliament passed for unemployment relief, and the Canadian National Railway has no right to raise any objection nor has my hon. friend the right to refuse to give the information.

Mr. MANION: I cannot agree with my right hon. friend. So far as the relations of this government are concerned there was an order in council which I presume was tabled the other day. I did not look through the documents, but I presume an order in council was among them dealing with this matter and giving the amount of money involved. So far as contracting for ties is concerned, I may tell my right hon. friend that such contracting has been done by the management of the Canadian National Railways as in other years. The Canadian National Railways take the attitude, quite rightly, that that is not information for which they should be asked. They contend that the Canadian Pacific Railway, if asked, would not give similar information.

Mr. MACKENZIE KING: So that we may understand the government's attitude correctly, is the minister taking the position that this parliament is not entitled to the fullest information concerning all expenditures made under the Unemployment Relief Act of 1931? That is the principle involved.

Mr. MANION: No.

Mr. MACKENZIE KING: Well, unless my hon. friend takes that position he ought to consent to this motion and give parliament the information requested.

Mr. MANION: This motion asks for a great deal more information than the government has. The government has no information on many of the points mentioned in the motion. I have no objection to bringing down any information the government may have, but the Canadian National Railways take the attitude they have always taken, and the attitude they took when my right hon. friend was leader of the government regarding contracts of all kinds.

Mr. MACKENZIE KING: When we were asked to agree to the measure for unemployment relief we were told we would be given the fullest information concerning all expenditures made for relief. That is the reason we are now asking for the information as set out in the motion. My hon. friend must either agree to give us the information we seek, or we will be obliged to ask the house to vote upon the resolution, and thereby decide whether or not we may have it.

Mr. MANION: Very well, vote upon it.

The house divided on the motion (Mr. Reid) which was negatived on the following division.

YEAS

Messrs:

Ahearn,	Deslauriers,
Beaubien,	Desrochers,
Blair,	Donnelly,
Bothwell,	Dubois,
Bouchard,	Duff,
Boucher,	Dumaine,
Boulanger,	Dupuis,
Bradette,	Euler,
Brasset,	Factor,
Brown,	Fafard.
Butcher,	Fiset, Sir Eugène,
Cardin,	Fontaine,
Casgrain,	Fournier,
Chevrier,	Gardiner,
Coote,	Garland (Bow River),
Denis,	Goulet,

Gray,
Hall,
Hanbury,
Hanson (Skeena),
Heaps,
Howard,
Howden,
Hurtubise,
Ilsley,
King, Mackenzie,
Lapointe,
Lucas,
MacInnis,
Mackenzie (Vancouver Centre),
MacLean,
Macphail (Miss),
McIntosh,
McKenzie (Assiniboia),
McMillan (Huron South),
McPhee,
Mercier (Laurier-Outremont),
Mitchell,
Motherwell,
Munn,
Neill,
Parent,
Perras,
Power.
Reid.
Rhéaume,
Roberge,
St-Père,
Sanderson,
Speakman,
Spencer,
Stewart (Edmonton West),
Thauvette,
Totzke,
Urquhart,
Vallance,
Veniot,
Verville,
Weir (Macdonald),
Woodsworth,
Young.—77.

NAYS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arsenault,
Arthurs,
Barber,
Baribeau,
Barrette,
Beaubien,
Bell (St. John-Albert),
Bennett,
Beynon,
Bourgeois,
Bowen,
Bowman,
Boyes,
Burns,
Bury,
Cantley,
Carmichael,
Casselman,
Charters,
Cormier,
Cotnam,
Cowan (Port Arthur-Thunder Bay),
Cowan (Long Lake),
Dickie,
Dorion,
Duguay,
Duranleau,
Embury,
Ernst,
Esling,
Fortin,
Fraser (Cariboo),
Gagnon,
Ganong,
Garland (Carleton),
Geary,
Gobeil,
Gordon,
Guthrie,
Hackett,
Hanson (York-Sunbury),
Hay,
Johnstone,
Jones,
Kennedy (Peace River),
Kennedy (Winnipeg South Centre),
Laurin,
Lawson,
Loucks,
MacDonald (Cape Breton South),
Macdonald (Kings),
Macdougall,
MacLaren,
MacMillan (Saskatoon),
McDade,
McGibbon,
McGillis,
McGregor,
McLure,
Maloney,
Manion,
Moore (Chateauguay-Huntingdon),
Morand,
Mullins,
Murphy,
Nicholson,
Peck,
Perley (Qu'Appelle),
Pettit,
Pickel,
Plunkett,
Porteous,
Price,
Quinn,
Robinson,
Rogers,
Ross,
Ryckman,
Senn,
Shaver,
Simpson (Simcoe North),
Simpson (Algoma West),
Smith (Victoria-Carleton),
Smith (Cumberland),
Spankie,
Spence,
Sproule,
Stanley,
Stewart (Leeds),
Stewart (Lethbridge),
Stinson,
Stirling,
Stitt (Nelson),
Stitt (Selkirk),
Sullivan,
Sutherland,
Swanston,
Tétrault,
Thompson (Simcoe East),
Thompson (Lanark),
Tummon,
Turnbull,
Weese,
Weir (Melfort),
White (Mount Royal),
Willis,
Wilson,
Wright.—110.

PAIRS

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

Messrs:

Baker,
Bell (Hamilton),
Bell (St. Antoine),
Black (Halifax),
Cahan,
Chaplin,
Dupré,
Edwards,
Gott,
Harris,
Laflèche,
Lennox,
Matthews,
Perley, Sir George,
Rhodes,
Rowe,
Ryerson,
Sauvé,
Short,
Smoke,
Spotton,
Stevens,
White (London),
Bertrand,
Mercier (St. Henri),
Raymond,
Dubuc,
Rinfret,
Malcolm,
Ferland,
Elliott,
Rutherford,
Jacobs,
Girouard,
Pouliot,
Moore (Ontario),
Marcil,
Ralston,
Lacroix,
Taylor,
Séguin,
Heenan,
Cayley,
Hepburn,
Fraser (Northumberland),
Gershaw.

Mr. MERCIER (St. Henri): I was paired with the hon. member for East Edmonton (Mr. Bury). Had I voted I would have voted in favour of the motion.

Mr. SMOKE: I was paired with the hon. member for South Oxford (Mr. Cayley). Had I voted I would have voted against the motion.

Mr. EDWARDS: I was paired with the hon. member for West Middlesex (Mr. Elliott). Had I voted I would voted against the motion.

Mr. BERTRAND: I was paired with the hon. member for Toronto Northeast (Mr. Baker). Had I voted I would have voted in favour of the motion.

Mr. GERSHAW: I was paired with the hon. member from London (Mr. White). Had I voted I would have voted for the motion.

EASTER ADJOURNMENT

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, in conformity with the suggestion which I made to the house a few days ago I now beg to move, seconded by Mr. Guthrie:

That when this house adjourns on Wednesday, the 23rd of March, it stand adjourned until Tuesday, the 29th of March, 1932.

Some hon. MEMBERS: Louder.

Mr. BENNETT: I am merely moving the notice standing on the order paper.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

GUARANTEE OF SECURITIES OUTSTANDING TO THE AMOUNT OF $11,372,498.86

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee to-morrow to consider the following proposed resolution:

That the governor in council may authorize the guarantee of securities of the Canadian National Railway Company to an aggregate principal amount at any one time outstanding of $11,372,498.86, to meet expenditures made and indebtedness incurred during the calendar year 1931 (where amounts available from net operating income or investments may be insufficient), by or on behalf of the Canadian National Railways or any company controlled by or any company comprised in the Canadian National Railways, or in respect of Canadian government railways entrusted to the Canadian National Railway Company.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the favourable consideration of the house.

Motion agreed to.

CORRECTION—MR. SPENCER

On the orders of the day:

Mr. H. E. SPENCER (Battle River): Mr. Speaker, I should like to draw the attention of the house to an omission in yesterday's Hansard. When Bill No. 16 to amend the Bank Act was before the house the hon. member for Macleod (Mr. Coote) moved an amendment that the bill be referred back to the committee on banking and commerce. I was the first to vote for the amendment but there is no mention of my name in the division list. I ask that the necessary correction be made.

VETERANS' PENSIONS

On the orders of the day:

Mr. ALFRED SPEAKMAN (Red Deer): Mr. Speaker, may I direct a question to the hon. Minister of Pensions and National Health (Mr. MacLaren). Is it the intention of the government to introduce during the present session any amendments to the pensions legislation?

Mr. McINTOSH: This is a quesion that has been put three times this session.

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): Mr. Speaker, the matter is under consideration.

IMMIGRATION OF BRITISH BOYS

On the orders of the day

Mr. J. P. HOWDEN (St. Boniface): Mr. Speaker, last week I put a question to the Acting Minister of Immigration and Colonization (Mr. Gordon) with regard to the immigration of five hundred English boys, but unfortunately I neglected to give him notice of the question. The Prime Minister (Mr. Bennett) said he was not able offhand to give an answer, but undertook to do so shortly. I have not been able to get any information in connection with the matter, and I should like to ask either the acting Minister of Immigration and Colonization or the Prime Minister if any information is now forthcoming.

Hon. W. A. GORDON (Acting Minister of Immigration and Colonization): Mr. Speaker, I think the house is very well acquainted with the fact that so far as encouraging migrants to Canada is concerned, the government has laid down a very definite policy—a policy, which, I think, is very acceptable to the people of this country. On the other hand I do not think the time has come, and I hope it never will come, when the door will be closed to the admission into Canada of a British boy who comes here paying his own way and seeking to make a home for himself.

Some hon. MEMBERS Hear, hear.

Mr. GORDON: With respect to the boys referred to by the hon. member, for several years various organizations within the dominion, all of them, I trust, inspired with the idea that they were doing what was best for the country, have encouraged the movement of Britishers to Canada. I think at times they have been in error as to the methods they have employed, although I believe they have been acting with the very best motives.

With respect to the movement of British boys to Canada since this government took office, I have been careful to consult with all the societies concerned, who have gone to a great deal of expense down through the years to organize their efforts. I have consulted with these societies and with the provinces with the idea of trying to determine what might be best at a time such as this. Some of the provinces said they would welcome a reduced number of boys from Great Britain, who would come out here not under assisted

passages, as in the past, but who would pay their own way and would be cared for during their first two or three years in Canada, until they could get places for themselves, by the various societies, mainly religious societies covering all religions, and in accordance with the express desire of these various organizations and of the provinces I agreed that a reduced number of boys might be admitted. If the hon. member has any fear that immigrants of this sort are likely to imperil the future of this country, I may tell him that I do not think there will be five hundred coming out this year.

I can only repeat that whatever action has been taken by the government has not been by way of extravagant encouragement; it has been taken only after careful investigation of the situation with respect to the societies concerned and the provinces which have agreed to accept these boys if they come forward.

Mr. HOWDEN: I may not be entitled to the information, but I did ask what guarantee if any had been given the government that these boys would not become public charges and perhaps require deportation.

Mr. GORDON: The very best guarantee that could be given the government that these boys will not become public charges is that they have enough courage to come out here, paying their own way, in order to hew out homes for themselves in this dominion, and it must be remembered that they are British boys.

SOCKEYE SALMON TREATY

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): I should like to ask the Acting-Minister of Fisheries (Mr. Duranleau) whether he has seen press reports indicating that the attitude of a committee of the United States senate is to refuse to ratify the sockeye salmon treaty. If so, what is going to be the attitude of the government with regard to this matter, by way of further amendment or otherwise?

Mr. BENNETT: Notice is required for a question of that kind.

Hon. ALFRED DURANLEAU (Acting-Minister of Fisheries): The report has not been brought to my attention as yet.

FEDERAL LOANS TO PROVINCES

On the orders of the day:

Hon. E. N. RHODES (Minister of Finance): Yesterday the hon. member for North Battleford (Mr. McIntosh) made inquiry with respect to a return in which he is interested. I have looked into the matter and I find that so far as the information required from the Department of Finance is concerned, it has been forwarded to the Secretary of State. The delay has been due entirely to the fact that the question, as it touches the Department of Labour, involves a very great deal of detail work, but I am told that the return is almost completed and may be expected in a day or two.

POSTMASTER OF LAPRAIRIE

On the orders of the day:

Mr. VINCENT DUPUIS (Laprairie-Napierville) (Translation): Before the orders of the day are called, would the hon. Postmaster General (Mr. Sauvé) be so kind as to inform the house when we may expect the information required in connection with the postmaster of Laprairie? This question has been on the order paper for over two weeks, and I am still waiting, together with a number of my constituents, for an answer from the hon. Postmaster General.

Mr. SAUVE (Translation): It is not a question of good will but one of time; I shall supply this information as soon as possible.

Mr. DUPUIS (Translation): I trust that it will be soon.

ALLEGED RUM RUNNING

On the orders of the day:

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): Last week I directed the attention of the Minister of National Revenue (Mr. Ryckman) to a report concerning alleged rum running on the north shore of the St. Lawrence river, and I also wrote the minister with reference to this matter. I should like to know if he has any information to give the house in this regard at this time.

Hon. E. B. RYCKMAN (Minister of National Revenue): If the hon. member has written me on the subject I may tell him the letter has not been received. I made some inquiry with regard to the report that good French Canadians in the constituency of Charlevoix-Saguenay, on the north shore of the river St. Lawrence, were bartering their cattle for whisky, but I could find no confirmation of that report. I can only tell my hon. friend that in the winter time, of course, the boats of the preventive service are not in operation, and I have no doubt that prohibited traffic is carried on during that time. There are some officers of the preventive service in that district, whom I have no

doubt are well known to my hon. friend. He may have assisted in having them appointed to their positions, but I have no doubt they are worthy men, and the law is being enforced on the north shore of the St. Lawrence as far as it is possible to do so. It must be remembered that this territory extends along the north shore of the St. Lawrence right to Labrador, but of the facts as stated by the hon. gentleman—and of course I must accept them—the department has no knowledge.

Mr. CASGRAIN: I did not state that French Canadians especially were doing that bartering of goods for rum or other articles; I simply directed attention to the fact that people were coming from Newfoundland, or other places, and attempting to induce these people to go into that business. Someone suggests that they might be coming from other provinces as well.

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—CONSIDERATION OF RESOLUTION

The house resumed from Tuesday, March 15, consideration of the motion of the Prime Minister that Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole on the following proposed resolution:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

Mr. G. B. NICHOLSON (East Algoma): Mr. Speaker, the debate that has taken place since this resolution was introduced about three weeks ago has covered a very wide range. Almost every subject that might possibly be introduced in the House of Commons has been discussed and debated; budget speeches of last session have been rehashed; recitations have been given on a variety of subjects, and all this has been done, if we are to take the word of the Toronto Globe of March 9, in order to fulfil one purpose, that is, to carry out what the Globe refers to as the Liberal blockade.

Mr. DUPUIS: Read it.

Mr. NICHOLSON: I have read it; if my hon. friend wants to read it for himself he can get it from the reading room. The question one is led to ask himself is, why this blockade? What is the purpose of it? To my mind it indicates the attitude of hon. members opposite towards the whole question of unemployment and farm relief. That attitude has been covered by a variety of smoke screens, nevertheless the debate has shown the attitude of hon. members opposite towards the vital questions facing the people of this country at the present moment, unemployment and farm relief.

When the Prime Minister (Mr. Bennett) gave notice of this resolution on February 22—I believe that was the date—almost immediately the leader of the opposition (Mr. Mackenzie King) announced that if the leader of the government and his cabinet would abdicate their functions, if they would cease to lead this house, if they would stop trying to define and introduce policies to meet the situation, then the opposition would cooperate. Their attitude was this: If you will do it our way we will cooperate; but if you come forward in your own way, after giving the matter such consideration as you have been able to devote to it, why then we will just hold the question up as long as we can. That is virtually what the leader of the opposition announced; and what has taken place in the meantime has adequately carried out that threat. The first effort they made was to throw up the smoke screen of the constitutional question in relation to this matter. At the last session of parliament we passed an act clothing the government with power to meet every situation that might arise in relation to unemployment and farm relief; or any other emergency that might occur in the difficult period through which this country, in common with the whole world, is now passing. That act automatically came to an end on March 1. On February 22 the Prime Minister announced that this resolution would be brought in, the purpose being to extend the time of the act for two months, or until May 1; and then it was that this announcement was made of cooperation or no cooperation according as the government were or were not prepared to abdicate. Not finding the going very easy in the way they had first indicated that they would take, they brought up the constitutional question; and after a variety of constitutional authorities, starting with the hon. member for Shelburne-Yarmouth (Mr. Ralston), had given their judgment, the hon. member for Quebec East, the ex-Minister of Justice (Mr. Lapointe), and my hon. friend the member for Labelle (Mr. Bourassa) were brought in to bolster up the position with regard to the constitution.

Now there is one thing that the house can be always sure of. When the hon. member for Quebec East rises, one of two things will happen: Either he is going to tear the British North America Act to pieces and build a new constitution, as he professes to have done

at a recent imperial conference, or he is going to throw himself in the way of someone who is anxious to destroy the constitution we have and the institutions of this country. The hon. member for Labelle takes the same position, as a rule—some constitutional question or other, something that is going to arouse passion and prejudice from one end of the country to the other. Following that the hon. member for Winnipeg North Centre (Mr. Woodsworth) gave us his views on the institutional—not constitutional—question. And so on and so on all through the piece. Let me assure these hon. gentlemen that the constitution and the institutions of this country are just as safe in the hands of the present Prime Minister and the present government as they have ever been or ever will be in the hands of the hon. member for Quebec East, or the hon. member for Labelle, or the hon. member for Winnipeg North Centre.

But to come back to the question as to the way that was proposed. The leader of the opposition, in elaborating his plans, said in effect: We will call a conference and we will talk about the question. It is true there is unemployment; it is true the farmers of the west require seed wheat. Well, we will talk about it; we will call in people from every part of the dominion and talk to them about the question. We will not act; we will talk. Now, every member of this house knows that if there is anything to be done, if there is anything which it is necessary that the government or the parliament of Canada should do to meet any situation, no matter what it may be, you may always depend upon it that the leader of the opposition and those who surround him, particularly the ex-Minister of Labour (Mr. Heenan), who seems especially anxious, are prepared to do the talking. We all recall that last session of parliament the leader of the opposition entertained us here for a whole day and night, talking, talking all the time, after he had thrown first one and then another senatorial friend to the wolves; and after pleading with tears in his voice for consideration of his dearly beloved son who had been sent to get the money and had not covered up his tracks, he finished his speech at the end of five and three-quarter hours. I can give you another illustration of talking, particularly the talking of the ex-Minister of Labour and the ex-Prime Minister.

In April, 1930, my predecessor, Mr. Bowman, pleaded with the Department of Labour, through its then minister, for the people, some 412 families, living in a town in northern Ontario, who had not had an hour's work for six months. What did the then Minister of Labour do? He went to that town and talked to these people. He talked and talked and talked, just as he talks here, not being familiar with the situation. That not being sufficient, he was followed to the same town by the leader of the opposition in a special train; and as is his wont the right hon. gentleman on that occasion talked again. He tried to persuade those people, as he tried to persuade the people throughout Canada, that there was no unemployment situation, that unemployment was merely a dream. He said to them, "Why, haven't we given you the Dunning budget? Can you not now import your hay and oats, your silk hats and walking sticks from England free of duty"? But, Mr. Speaker, it was not hay and oats nor silk hats and walking sticks that these people wanted; they wanted work.

An hon. MEMBER: And cut flowers.

Mr. NICHOLSON: Yes, cut flowers too; but the people did not want cut flowers either. The situation with which this country is faced, Mr. Speaker, is one that calls not for talk but for action; and the government, through the resolution they have submitted to this house for consideration, are preparing to take action to relieve unemployment and to provide seed wheat for the farmers in western Canada who have been burned out for the past three years, and also to assist those who require assistance. But what do we get from hon. members opposite? Talk, talk, talk.

Mr. FAFARD: Why don't you bring in a bill to-day and have done with the discussion?

Mr. NICHOLSON: I anticipated that question from some hon. gentleman. In reply, I would ask another question. Is there any hon. member on the other side, either the ex-Minister of Agriculture (Mr. Motherwell) or perhaps my hon. friend from Weyburn (Mr. Young), who is smiling so nicely, who can tell the house what kind of estimate—not a bill—would be necessary? How many acres of land in western Canada will be seeded, and how much wheat will be required to seed the land?

Mr. DUPUIS: How much do you want?

An hon. MEMBER: Sit down.

Mr. DUPUIS: How much do you want? We will give it to you.

Mr. NICHOLSON: How much do I want? That shows the intelligence of the whole discussion. The hon. member knows as well as any man in this house or in the country knows

that it is impossible to prepare an exact estimate to meet the situation that faces us to-day.

Mr. SPEAKER: The hon. member for East Algoma has the floor, and unless he consents to questions he must not be interrupted.

Mr. NICHOLSON: If any hon. member wishes to ask a question, and if he will put his question in the manner in which an hon. member should, I shall endeavour to answer as well as I can. But I will not pay any attention to catcalls and interruptions that mean nothing.

I come now to the statements that were made by the hon. member for Vancouver South—I think I am right as regards that constituency—while debating this subject. After declaiming against all Canadian institutions, after painting a glowing picture of conditions in Russia as compared with conditions in Canada, the hon. member for Winnipeg North Centre discussed the financial institutions of Canada, the banks and the insurance companies. Will the hon. member at some time say just what he would propose to do with the banks and the insurance companies? When he was referring to the dividends paid by the insurance companies, I asked him what about the dividends paid to the policyholders. I have in my hand the annual reports of two insurance companies. I will not mention the names of the companies or differentiate between the two, but I will point out that at the end of 1931 these two companies had $3,150,000,000 of insurance written in Canada and throughout the world, and had collected during that year $155,000,000 in insurance premiums. When the occasion presents itself, and I am sure it will not be long delayed, I should like my hon. friend to state to the house what he would do with these insurance companies. Would he confiscate the premiums? Would he wipe out the insurance policies? Would he suggest to the government that it should take either of these two courses?

I have before me a brief statement showing that the banks of Canada have on deposit approximately $1,400,000,000 of the people's savings. The working man, the small business man, the man who has worked all his life in order to build up a reserve upon which to depend when he can no longer work, has deposited this money in the bank. What would my hon. friend do? Would he confiscate these deposits? If he would go so far as to state exactly what his intentions are, then the house would be able to understand him.

Mr. FAFARD (Translation): Mr. Speaker, I rise to a point of order. I submit that the hon.. member is not debating the resolution under consideration.

Some hon. MEMBERS: Order.

The ACTING SPEAKER (Translation): The objection is not well taken.

Mr. NICHOLSON: After declaiming against all of these institutions, after comparing conditions in Russia with the conditions in Canada, my hon. friend said:

> What are we going to do? It would seem as if the government now in power, sensing somewhat the issue at stake, is determined at all costs to maintain the present system.

What institutions have we in Canada that my hon. friend would destroy? If he would be specific, then we would know exactly how to deal with the situation, but after the portrayal of the ideal conditions which prevail at present in Russia he accuses the government of the determination to maintain Canadian institutions.

I come now for just a moment to the hon. member for Vancouver South (Mr. MacInnis), who made the following statement to be found on page 982 of Hansard:

> When the Minister of Railways is discussing Russia he should not forget that Russia at the present time is at war:
>
> I agree fully with my hon. friend; Russia to-day is at war—she is at war with civilization.

Mr. MITCHELL: Read the rest of the sentence.

Mr. HEAPS: I think the hon. member is most unfair in not reading the whole statement.

Mr. NICHOLSON: I am repeating just exactly what the hon. member said.

Mr. HEAPS: No you are not.

Mr. NICHOLSON: Mr. Speaker, my hon. friend made his speech and I will make mine in my own way. Hon. members of the house can decide whether this is fair or unfair.

I say that the hon. member is right. Russia is at war—she is at war with Canada. Russian agents are in every hamlet in this country from the Atlantic to the Pacific, and I am not so sure that she has not agents around these parliament buildings. Whether she has or has not, every man in this country knows that Russia is at war with Canada and she is at war in her own country.

Mr. SPENCER: Would the hon. member give some proof of what seems to be an absurd statement?

Mr. NICHOLSON: The hon. member for Vancouver South, who professes to know a lot about Russia, says that Russia is at war. I say that Russia is at war with Canada. It has been proven in the courts that the soviet government sent money into Canada to pay communistic organizers to disrupt this country. For what other purpose was it sent? The hon. member confesses that Russia is at war in Russia; she is at war with her own people, she is at war with every ideal which has been held sacred by men and women ever since the dawn of civilization.

The hon. member said that the kulaks, the peasant farmers, refused to cooperate in that war and consequently had to suffer as they have suffered. It will be to the eternal glory of the kulaks that they refused to cooperate. Let us try to get a picture of the cooperation for which they were asked. The communistic, red army officers came to the peasant farmer and said: These lands upon which you have lived, this soil you have tilled and the home you have built are no longer your own, they are ours. The things around you are no longer your own; these children are no longer your own—they are the property of the state. If you are willing to cooperate, if you are prepared to have us destroy this home and take your children away from you, if you are prepared to stand by and see your women violated, all right, you may live and we will send you to Siberia, to Archangel or to the lumber camps on the White sea where you can eke out an existence on raw fish and cabbage soup. If you refuse to cooperate, we will stand you up against the wall of this home you call your own and riddle your body with bullets. That is the kind of cooperation the kulak was asked to give.

My hon. friend and his mentor, the hon. member for Winnipeg North Centre, are constantly speaking of these ideal conditions which prevail in Russia and comparing them with what they call the demoralizing conditions which prevail in Canada. Canada is the freest country under the sun. There is not a country in the wide world where the man who wants to make his way in the world has so great an opportunity as he has in Canada. I say in all sincerity and fairness to my hon. friends: If you feel that Russia is a much better country in which to live than Canada, why don't you go to Russia? I believe I can say without hesitation that the Department of State would present no difficulties to their securing passports, and I do not believe they would have any difficulty in entering Russia. Why don't they go there if the conditions are so ideal? Is it because comrades Stalin and Kamenoff would rather they remained in Canada to take the place of Tim Buck and his associates who are now behind the walls of Kingston penitentiary. I do not know; I am simply putting that question.

Mr. FAFARD: If I might ask my hon. friend a question, would he kindly tell me how far he is from the resolution?

Mr. NICHOLSON: It is quite possible that if agitators are allowed to run loose in this country, those who would set class against class and play on the feelings of men and women who are harassed by the conditions through which we are passing, things may be done that none of us would like to see happen. But I say right now that any man or woman in these times, I care not who or where they are, who attempts to stir up strife and set class against class and play on the passions of people is not a true and good Canadian.

Every man in this country knows that we are passing through times which are difficult for humanity all over the world. Canada is in no worse a position than other countries. As a matter of fact I believe we are in a better position than any other country, and I have confidence that Canada will pull through. I have confidence in the resourcefulness and courage and faith of the Canadian people, and I believe that with sound leadership Canada will pull through better than any other country in the world. But it is sound leadership and level heads, not agitators, that the country requires to enable us to pull through. To the Prime Minister and his government I would say that every man in this house and every man in this country has some conception of the problems which the government is called upon to meet from day to day, and every one of us knows that the Prime Minister and his government are working long and tiresome days and many, many weary nights in meeting the problems and accepting the challenge that has been thrown to them as the government which the Canadian people chose in 1930 to carry on the affairs of this country. I say without any hesitation whatsoever that the best people in this country, those who have given thought to the conditions through which we are passing and the situation that confronts us, are behind the Prime Minister and his government,

and the government's followers in this house are one hundred per cent behind them. Go forward, I say to the Prime Minister and his government, and meet the tasks you have to meet from day to day, and let the agitators and babblers continue to agitate and babble and the talkers continue to talk.

Mr. THOMAS REID (New Westminster): I should like to say a few words on the resolution now before the house. At the outset I wish to say that we on this side are just as much concerned with the great problem of unemployment confronting Canada to-day as are the members on the government side, and personally let me add that I am more concerned with the affairs of Canada than with what is happening in Russia. I think we should pay more attention to the affairs of our own country, because Russia will work out her own destiny. The problem confronting the Canadian people is what is going to happen to us in this dominion of ours.

The Minister of Railways and Canals (Mr. Manion), in his speech the other day, said that Canada was to-day facing conditions worse than any she had faced before in her history, not even excepting the war. I agree entirely with that sentiment. But I would go further and say that I for one sincerely believe that even if industry and conditions in this country do come back to what we knew as normal, industry will not be able to absorb the number of men and women who are anxious and willing to work, and that fact will have to be faced more squarely in the future if we wish to put our country on a better basis.

Hon. gentlemen opposite have blamed us on this side of the house for an alleged lack of cooperation. I suggest that the government should first show some sign that they want cooperation from this side of the house, but I have yet to see the first gesture of anything of that kind. I have sat here and listened to the discussions that have taken place, and every time suggestions were made from this side I have heard the "ha-ha" given to them by hon. gentlemen opposite. It has been reiterated both in this house and outside that we on this side consistently blocked the legislation of last year although many of our members appealed time and time again to the government to introduce legislation to deal with the unemployment situation or at least to give the house an apportunity to discuss it, but it was not until the latter end of the session that the legislation was brought down. It has been said by hon. gentlemen opposite and by the Prime Minister himself that we consistently opposed that legislation and that if there was any delay in dealing with the unemployment situation, the delay was due to the opposition in this house. I take exception to that statement, Mr. Speaker. Even the then Minister of Labour wrote to a municipality in my riding and said that the talk on this side of the house had delayed the passing of that legislation. If I have any idea of the sort of cooperation that this government expects from us it is simply a quiet acquiescence in everything they do, a desire on their part that we say nothing and do nothing at all in this house. If the positions were reversed and hon. gentlemen opposite were sitting on this side, I am wondering if the Minister of Railways (Mr. Manion) and the Minister of Trade and Commerce (Mr. Stevens) and the right hon. Prime Minister would not object if we had the temerity to bring down such a proposal as is now before the house, and simply say to us: Yes, go ahead; we have no opposition to offer. It takes a great stretch of the imagination, however, to imagine that.

If there has been any delay, Mr. Speaker, I claim that the delay has come from the government side of the house. The Prime Minister knows the conditions in this country far better than any other man in Canada, and he must have been aware that this act expired on the 29th of February last, and I would ask the next hon. member on the other side who speaks to explain to me just why an item could not have been placed in the supplementary estimates to carry on the work or to pay for unemployment relief for the next two months. As a new member I should think that would have been easy to do. I claim that the Prime Minister is in a position to-day to know approximately what amount will be required to take care of the situation for the next two months.

I wish to take exception, Mr. Speaker, to some of the remarks that were made yesterday by the hon. Minister of Trade and Commerce. He said that as we in this parliament had passed the act of last year we had endorsed the principle of this legislation. I submit that that is not in accordance with the facts. Turning to Hansard of last year I find that at page 4279 the Prime Minister said:

> We should not place a limitation upon the amount that may be expended, either with respect to direct relief or otherwise, because in the one instance you create the idea "Here is a fund upon which anyone may draw without work—

There the Prime Minister was stating the reasons why we shauld give him a blank cheque. He went on:

That is the question. If you fix it at any sum you may suggest, I repeat, you but invite the very thing that we desire to prevent.

Further, in reply to the right hon. leader of the opposition, the Prime Minister said:

If I were less unmindful of the soundness of the criticisms that are made by the right hon. gentleman opposite as to the interference with the general principle, I would not make the observations I do. But when we make charges against the consolidated revenue fund, as we have done continuously with respect to matters mentioned last evening by the Minister of Justice, and when since confederation we have had a frank recognition by parliament that a situation might arise in which the application of the ordinary rules would no longer be possible as witness the Finance Act of the country,

And so on. Then the last paragraph is as follows:

I am compelled to do this in the public interest. But there is no reason why the date should not be limited to the first day of March which will ensure that the house must meet at least a sufficient time before that date to enable parliament to grant such further supply as may be regarded necessary in the premises.

I claim, Mr. Speaker, that if hon. members on this side did acquiesce in or help pass that act last year it was done under the assurance that legislation would be introduced on March 1, and that hon. members would be given an opportunity to discuss this matter. In my opinion the most important functions of parliament are taxation and expenditure. If these are taken away we are deprived of practically all our important rights. Municipal councils, provincial and dominion governments are seized of the fact that the imposition of taxes and expenditures of money are very important functions. The proposal now before us virtually asks us to hand over to the executive the full powers of parliament so far as the expenditure is concerned. Personally I am in favour of voting a certain sum, and I have heard no valid reason why such a sum could not have been placed in the supplementary estimates, or a bill brought in for a specific amount. There must be some reason why the Prime Minister has not yet stated his grounds for proceeding along these lines.

At the special session of 1930 we were told, when we were asked to vote for an expenditure of $20,000,000, that if we did not pass that amount speedily we would be holding up the Imperial conference. Last year legislation was introduced at the end of the session, and we were told that as parliament was about to prorogue the legislation must be passed. It is for these reasons I cannot support the proposal now before the house. Then, again, an extension of the blank cheque will not in my opinion take care of the situation in the provinces and municipalities which have planned schedules of work and which for a period of two months or six weeks have been standing for approval. In my opinion a blank cheque does not take care of that situation.

I feel that the whole question is going to be shelved. If, as the hon. the Minister of Railways and Canals (Mr. Manion) has said —and I quite agree with him—conditions are worse, and to-day we are in a more unfortunate position than we were during the late war, parliament should be considering some definite plans capable of adoption. Even at the risk of sneers from hon. members opposite, I am about to make some suggestions, believing as I do that we are really face to face with conditions such as never before have been experienced. No one can tell where the end may be. The forces of the country should be coordinated, and the government should consider the conscription of wealth. That matter was under consideration during the last war, and I am sorry no such action was taken. In my humble opinion if wealth had been conscripted at that time our burden of debt would not be as severe as it is to-day. While I know that unemployment insurance will not relieve us of our difficulties, I believe it should be fully considered, in view of the fact that all the energies of our government seem to be concentrated upon the building up of manufacturing industries.

Rates of interest should at least to some extent be controlled. From one of the municipalities in the constituency I have the honour to represent I received information that only last week the rate of interest had been raised from six per cent to six and one-half per cent. The bank said the change was due to the action of the government of British Columbia in floating a loan at six per cent. For that reason bank interest was being raised to six and one-half per cent. Something should be done in that connection, Mr. Speaker, because while wages are continually going down, interest seems to be going up, and some definite action should be taken to control it. If it were at all possible I should like to see legislation whereby the municipalities and provinces could come to the federal government and obtain loans at three per cent, the rate that is now extended to banks, they in turn lending to municipalities or provinces at twice that rate.

I should like to venture an opinion regarding agriculture. One of the reasons agriculture is not progressing as it should is that the man on the land has been entirely divorced

from it. Under our old system a man could exchange his produce and live, but to-day he must have money. Without money he is absolutely tied up. In the province of British Columbia I know of barns filled with produce, but the owners cannot obtain a five cent piece for any of it, or even exchange it for other produce. Under our present capitalistic system the agriculturist is divorced from the land, and the practice under that system of putting men out on the land will in my opinion only produce more distress. Some drastic change will have to be brought about if we are successfully to further our land schemes.

At this point I should like to refer briefly to conditions in British Columbia, and to offer some suggestions concerning that province. I may be met with the remark that British Columbia is the place to discuss those matters. When we realize, however, that fifty per cent of the commitments are to be paid for by the dominion, I think I have a right to discuss provincial matters. Business men, unions of municipalities and municipal governments irrespective of party are genuinely alarmed at conditions in British Columbia. To begin with, I claim the blank cheque of last session did not work out as the Prime Minister suggested, or would have liked to see it work out. I should like to have seen him adopt the suggestion of the leader of the opposition (Mr. Mackenzie King) last session and appoint a commission. I believe the Prime Minister held the idea that if any definite amount had been set there would have been a rush by the provinces to avail themselves of a large share of that fund. To obviate such a rush a bill authorizing a blank cheque was put through parliament. So far as the province of British Columbia was concerned however the opposite was the result. That province set out on a spending program the like of which had never been witnessed there before. After the passing of legislation for the blank cheque the province had every reason to believe that unlimited funds would be obtainable at Ottawa. I have before me the words of the Premier of British Columbia, as follows:

> The provincial government launched its program, employed 16,000 men, built 170 camps and contracted a cost of over $50,000 a day on the definite assurance of the federal government that it would pay half the cost.
>
> If the federal government has decided to scale down this program drastically, as reported in Ottawa, the provincial government will insist that the responsibility rests with it, not with the province.

I say if the province of British Columbia embarked on such an extensive program of relief works they probably did so after receiving some assurance that there were unlimited funds here in Ottawa, and that all they had to do was to go ahead with the work. They probably believed that for every dollar they expended they would receive fifty cents from the federal government. I bring these matters before the house in an endeavour to show that a commission should have been appointed. Before I take my seat I shall make some suggestions as to how future relief should be handled. This is a matter which has gone beyond a mere question of parties; no one government can solve it. If conditions are as described by the Minister of Railways and Canals, if they are worse than they were during the war period, it is time we decided to appoint a commission to handle relief, so that this serious matter may be entirely free from party control or influence. In the province of British Columbia supplies were furnished through a process of patronage. I do not think any person in that province ever saw such a quantity of needless supplies purchased. Supplies of all kinds were purchased, including wheelbarrows, blankets and even Delco electric light plants. The driver who was taking out the Delco plants told me at the time I met him that that was the hundredth Delco plant he was delivering.

I have no comment to make regarding the construction camps, except to criticize the loose way in which they were conducted. For instance, men got jobs as surveyors, men whose fathers hold high government positions, and I saw four men running around the country with a car and instruments to lay out bunkhouses, although there were plenty of foremen carpenters available and on the job. To show on what a lavish scale the money was handled, in my riding not far from my home they built two camps a mile apart. In one camp there were thirteen or so large bunkhouses. To supply water to this camp they erected twenty feet in the air a tank of two or three thousand gallon capacity, and then they laid down the necessary piping and plumbing for hot and cold water. When the plumbing had been completed, someone asked: "Where is the water"? Although all this money had been spent they could find no water. Someone suggested that they could get water three-quarters of a mile down the road, but after the trenches were dug a doctor came along and said: "You cannot use that water; it is unfit to drink." He was not a Liberal; he is, I believe, a strong supporter of the government. Then they set men to dig a well, but although they went down eighty-five feet they found no water. Ultimately

they had to hire a truck and bring water to the camp in barrels. Someone may say that this scandal should be threshed out in British Columbia. Well, before Mr. Jones, the provincial Minister of Finance, came down to Ottawa three and a half million dollars had been spent. If the unemployed had received the bigger portion of the money I would have little criticism to offer, but the bulk of it went in the purchase of supplies and that from favoured wholesale houses. One manufacturer told me that he sold 50,000 blankets, and it took him out of the red.

Mr. COOTE: That was one good deed, then.

Mr. REID: If the unemployed, the needy and destitute, had received the major portion of the money I do not think there would be very much criticism. I counted in one camp some 450 steel wheelbarrows. They had so many that a man was to be appointed to regulate their use. Ultimately orders were received from the dominion authorities that such extravagance must cease. A serious charge was laid against even a cabinet minister. The men at a camp for the unemployed were cutting wood beside the road and burning it. It seems incredible but actually coal was brought to that camp all the way from Vancouver island. But that was not the worst of this scandal. The coal car was stopped within ten or twelve miles of the camp, and the manager, who was looking after the affairs of the cabinet minister, took the job of hauling the coal the remaining twelve miles to the camp, although that coal could have been taken up the Canadian Pacific tracks right into the camp. That charge was laid against the cabinet minister right in Victoria. And it was not laid entirely by Liberals, even some Conservatives do have a conscience—yes, there are men who have a conscience even although they are Tories.

Some hon. MEMBERS: Oh, oh.

Mr. REID: Yes. Those Tories were so sore about these scandalous conditions that they made that charge in Victoria against a cabinet minister. Let me give another instance to show the astounding scale on which expenditures were made. The men in one camp were doing nothing, simply marking time, yet tenders were called for cutting wood. When it was brought to the attention of the government that those unemployed men were idle, immediately the government had the notices pulled down and quietly ordered one or two carloads of coal. Yet those men had been working cutting logs and burning them by the roadside. The only explanation given by the minister was that a coal-burning stove had been installed in the camp.

These conditions are so serious that British Columbia has reached the point where it now cannot meet its bills. The provincial government has been advised that the banks will not advance another dollar for unemployment relief. I think it is the duty of every member aware of such scandalous abuses to bring them to the attention of the federal government, so that in future there will be no chance of a repetition of such wasteful expenditure. In fact, as the right hon. leader of the opposition (Mr. Mackenzie King) suggested last session, a commission should be appointed to handle unemployment relief. I omitted to mention that machinery was bought on a scale never before known in connection with relief work; close to a million dollars worth, I believe, was purchased.

At this point I should like to commend the good work of two officials of the Dominion government. I have not yet heard anything said on their behalf, and I take this opportunity to give them a word of praise. Mr. McGeough of Vancouver and Mr. Hereford of Ottawa have so far done their duty faithfully. I think if men of like calibre had been appointed so as to take the expenditure of unemployment relief out of the hands of the provincial government there would have been no such extravagant and reckless expenditure. But with the provincial authorities it was just a case of: "Here's the pork barrel; come and get it." And believe me, everyone who could helped himself. This reckless extravagance would be serious enough in ordinary times, but it is criminal during this depression. One man worth, I believe, $50,000 was given a job as foreman. Many other well-off men were asked if they wanted similar jobs. I know that as a fact, for I took a great interest in what was going on in my riding and saw those men at work. Mr. McGeough and Mr. Hereford should be commended for the way in which they carried out their duties. There can be no doubt about the thoroughgoing qualities of Mr. McGeough. I have been told on very good authority that the provincial government have been trying their very hardest to get rid of him. The trouble must be that Mr. McGeough and Mr. Hereford were not given sufficient authority. True, they could check up expenditures after the commitments were made, but had such men been given authority to act before the commitments were made this deplorable condition of affairs would not have been brought about in British Columbia.

It has been said that direct relief is now to be the order of the day, and many of us are being told that such is to be the policy of the government. Personally I am against direct relief, for I think it undermines our men, and I am confident that the proper type of men do not want it. I notice that in my own municipality the unemployed have offered their services to go out and clear land rather than accept direct relief. I repeat I am against direct relief; I would rather see unemployment relief work carried on. So far as British Columbia is concerned we have the camps and I believe we still have the supplies. We have wonderful resources in this country; they must be developed and I think it is far better to carry on useful work than to provide direct relief. If the municipalities are to be required to assist in these relief works this question should be gone into more fully, and I think it should be handled by a commission such as that advocated by the right hon. leader of the opposition (Mr. Mackenzie King), so that the spectacle witnessed in British Columbia last autumn in connection with relief camps and the purchasing of many thousands of dollars worth of needless supplies for the benefit of favoured wholesale houses, will not be seen again, or the further spectacle of men well off and in good circumstances enjoying the advantage of the money which should have been given the needy and destitute. I would go further at this time; I would make it a criminal offence for a man in good circumstances to accept relief moneys of any kind.

In my opinion it is high time that the right hon. Prime Minister took a direct hand in regulating the present chaotic state of affairs in British Columbia. First let him appoint an auditor so that the true financial circumstances will be known. Then let him appoint a committee of business men of integrity who will handle all relief matters, not only in the interests of the country but also in the interests of those citizens who now find themselves, through no fault of their own, destitute and in dire need.

I know, Mr. Speaker, that the problem of unemployment is perhaps greater than governments or parties; no one can solve it at once, no matter what government may be in power. But that is no reason why we should not get down to business and appoint a commission to handle this matter in the future. As the Minister of Railways (Mr. Manion) said, we are faced with a situation such as we have never known before.

In closing, Mr. Speaker, I must say that I cannot support this measure. It is just another step in handing over to the executive those rights which should be exercised by parliament. If the country is to be ruled by orders in council we might as well pack up and go home, since the most important functions of parliament have to do with the questions of taxation and the expediture of money. The Prime Minister may have many reasons for asking for this special power, but up to the present time I have not heard them. After I sit down I would be glad to have some member of the government tell the house just why a sum of money could not have been placed in the estimates to provide for the relief of the unemployed and destitute in Canada.

Mr. SAMUEL GOBEIL (Compton): Mr. Speaker, I did not intend to take part in this discussion, but after listening to the speeches of hon. members opposite I thought I might very well take a few moments to voice the strongest protest of which I am capable against the delay which has been occasioned in the payment of accounts received by the Department of Labour during the past three weeks. That delay has been caused by the obstruction of hon. members opposite. About a month ago I asked Mr. Hereford, director of unemployment relief, if he would be kind enough to let me have, at the beginning of every month, the different accounts rendered by the municipalities in the county of Compton in connection with the relief act. On March 8 I received a letter from Mr. Hereford, from which I desire to quote a few lines:

> The Dominion government has recently received two accounts from municipalities in the county of Compton, one for the municipality of East Angus for expenditures incurred on public works, on which the dominion payment amounts to $2,074.72, and also an account for direct relief disbursed in the municipality of Hampden. These accounts have been audited, but owing to the expiration of the act on March 1, 1932, there will be a delay in our remittance as we are obliged to wait until the above act is extended by parliament before payment can be made.

I am sure hon. members of the house, as well as citizens of Canada generally, well know that because of the spectacle we have seen in this house since March 1, many municipalities will not receive the payments they have been expecting. I think people throughout the country are well aware that those in need of the money they have well earned will not receive it for some time because hon. members opposite already have spent a couple of weeks—and may spend another week, I do not know—in discussing a motion which should have been disposed of in a couple of hours.

As I have already said, we have listened to many speeches by hon. members opposite, some eloquent, some less eloquent, and some that were nothing less than appeals to passion and to the lowest instincts of human nature. I do not propose to quote from many of those speeches, but I do wish to refer to one or two of them because they represent very well the ideas held by hon. members opposite.

The hon. member for Témiscouata (Mr. Pouliot), speaking in this house on March 10, is reported as follows:

> The trouble about unemployment in this country is this, that there is no contact between the millionaires who sit on the treasury benches and the common people. They do not know the sufferings of the common people in this country. They are well fed, satisfied and happy, and they cannot imagine that in the cities and in the rural districts there are people who are suffering poverty and hunger.

I ask every sensible member of this house if these are words that any hon. member should utter. They are nothing but appeals to one class as against another. I do not imagine that the hon. member would suggest that the millionaires are all on this side of the house or that they are all Conservatives. I think everyone will agree that the millionaires on this side are no worse than those on the other side, so at a time like this why should we try to stir up one class against another? If the hon. member were sincere and really wanted to help this country; if he desired to ask the millionaires, as other members have suggested, to give part of their wealth back to the treasury of Canada, he could very well use his influence on his own side of the house. For instance, he could interview those who have made a few millions on the Beauharnois deal and ask them to hand back some of that money to the treasury. He said that some of the ministers in this government are well fed and satisfied. Well, Mr. Speaker, as many hon. members in this house know, the hon. member for Témiscouata would not have to go very far from his own constituency to find hon. members who are pretty well fed at the expense of the country, and there are many thousands of the citizens in the province of Quebec who would like to have more details in regard to the services rendered by these hon. gentlemen for the cheque they receive every year. As I have said, however, these words should not come from the lips of any hon. member of this house, and I would never have mentioned what I have, had there not been provocation. Such words, I repeat, should not be found on the lips of any hon. member; but I think we must use the same weapon that is used against us.

[Mr. Gobeil.]

I wish to refer for a few minutes to the remarks made by the hon. member for St. Denis (Mr. Denis). Speaking on this resolution, he made statements which are not very relevant to the question under consideration, but it seems that on this question it is possible to discuss almost anything. I am going to quote the hon. gentleman's words from Hansard, so that it will not be said that I am misrepresenting him:

> Mr. Denis (Translation): I shall say to the hon. member for Quebec-Montmorency that this legislation was enacted to redeem the honour of the province of Quebec, attacked and outraged by a mountebank using the election funds, the source of which is as well known by the hon. member for Quebec-Montmorency as that of Beauharnois. The hon. member has no right to insinuate that the Liberals of Quebec stole the election in the last provincial campaign. His charge is absolutely false and untrue. He has neither the right to insult the people of Quebec by insinuating that they were bought.

(Translation) I shall point out to the hon. member for St. Denis (Mr. Denis) that the hon. member for Quebec-Montmorency never used the words which that hon. member has attributed to him. The following are the words the hon. member for Quebec-Montmorency used:

> If the hon. member for Quebec East wishes to discuss autocracy or tyranny, let him tell us about the Dillon bill which the hon. Mr. Taschereau forced through the legislature in order to legalize in Quebec the elections which were stolen last summer!

The hon. member for Quebec-Montmorency, or any other member on the government side never contended that the people, as a whole, in Quebec, had sold themselves last summer. Out of approximately 450,000 citizens who registered their vote in the election of July last, 216,000 were not bribed, notwithstanding all the means resorted to by government agents.

Mr. RHEAUME (Translation): What has this to do with the resolution under discussion.

Mr. GOBEIL (Translation): No more than it had when the hon. member for St. Denis made that statement.

Mr. RHEAUME (Translation): Drop the subject then.

Mr. GOBEIL (Translation): I wish to answer the hon. member for St. Denis, and I trust, sir, that I shall be allowed the same privilege which was given to that hon. member. Although this may not please hon. members of the opposition, surely we are entitled to refute their arguments, especially when we are attacked.

Apart from the 200,000 electors who could not be bribed, notwithstanding the means resorted

to, there were also many thousands of good, sincere and honest Liberals who were not bought. There are still others: the dead who were made to vote, and who certainly were not bribed, the latter were not bought, they were dragged from their coffins. We have been listening, within these last few days, to the hon. members of the opposition referring to this famous act, this corpse which one wishes to bring to life. The provincial Liberal organization brought to life, in the last provincial election, thousands of people who had been dead for a great number of years. The hon. members on the government side simply stated that the election, last year, had been stolen by the provincial government.

Mr. RHEAUME (Translation): They took their cue from the 1930 election.

Mr. LAFLECHE (Translation): That cost less.

Mr. GOBEIL (Translation): Indeed, it is such an averred fact that the election was stolen that the Quebec government had to enact the famous Dillon bill which everybody knows, and, to which reference was often made in this house. It is the most infamous and unrighteous act that any government in any province of Canada has ever had adopted, it is an act by which thieves, or at least those so charged, appoint themselves judges in their own case and are declared innocent.

Mr. RHEAUME (Translation): That was a matter of grief to you.

Mr. GOBEIL (Translation): That did not grieve us, except as it affects the honour of the people of Quebec; in this respect it has somewhat saddened us.

I do not intend to insist any further on this question. I would not even have alluded to it, if the hon. member for St. Denis had not referred to it the other day.

I return now to the remarks I intended to make on this motion. Hon. gentlemen opposite have a hobby—in fact, they have more than one; they have two or three.

An hon. MEMBER: That is their privilege.

Mr. GOBEIL: Yes, everyone is entitled to have a hobby, and one of their hobbies ever since 1926 has been constitutional issues. I am not going to attempt to discuss the question from the legal or the technical point of view. The Minister of Trade and Commerce (Mr. Stevens) the other day made an excellent statement in regard to the situation. As I say, however, the discussion of constitutional questions seems to be their chief hobby, and I quite admit that from that point of view they had a good deal of success in 1926. But may I remind the leader of the opposition (Mr. Mackenzie King), and the hon. member for Quebec East (Mr. Lapointe) as well as the hon. member for Labelle (Mr. Bourassa), who are the three principal champions of constitutional issues in the province of Quebec—and especially the leader of the opposition—that the situation is not quite the same this year as it was in 1926. Many people know that in 1926 the then Prime Minister, now the leader of the opposition (Mr. Mackenzie King) toured this country and made fiery speeches in which he asked the people of Canada if they were satisfied to be ruled from Downing Street. While the right hon. gentleman was touring the country and making these speeches, he was simply bluffing the citizens of Canada.

Mr. RHEAUME (Translation): The people's verdict was rendered in 1926.

Mr. GOBEIL: Yes, Mr. Speaker, the verdict of the people was rendered but it was rendered on false representations. However, conditions are different to-day, the people know more about these things and they know what reliance to place upon the words of the leader of the opposition.

These diplomats are wonderful men but if I had been the Governor General of Canada I do not think I could have listened to the speeches made by the Prime Minister of the day, and knowing what he knew, I do not think I could have kept that knowledge to myself.

Mr. RHEAUME: Go ahead.

Mr. GOBEIL: I have no doubt that the Governor General will remember as long as he lives the stand taken by the Prime Minister of the day and that he will always regard the right hon. gentleman as the personification of public honesty and integrity.

Mr. MERCIER (St. Henri): Mr. Speaker, I submit that the hon. gentleman should not be allowed to put into the mouth of the former Governor General the phrases he has just used.

Mr. GOBEIL: Is that all?

If I am permitted to offer advice to the right hon. gentleman, it will be that this action will carry no weight with the Canadian people. I advise him to go to the hon. member for Labelle (Mr. Bourassa) and arrange to have his speech printed and distributed. This could be done for very little money.

Mr. MERCIER (St. Henri): Ten cents a copy.

Mr. GOBEIL: Hon. members opposite realize, and we realize that as there is no Beauharnois deal in sight and the Liberal party being in opposition, the means of raising political funds are very limited.

Mr. MERCIER (St. Henri): Does the hon. member think he can get a speech like that for nothing?

Mr. GOBEIL: Certainly.

I have mentioned that the Liberal party has many hobbies. Another one is the use of the words "autocracy" and "dictator" and other similar words.

An hon. MEMBER: Mussolini.

Mr. GOBEIL: I am a new member and have had little experience in the relationship between members of a party and its leader, but hon. members opposite seem to know more about the autocracy of our leader than we do. As far as I am concerned, I know that every time I went to the Prime Minister (Mr. Bennett) for anything, I was received very courteously.

Mr. RHEAUME: Certainly, because he is a gentleman.

Mr. GOBEIL: If my request was reasonable, it was considered favourably. I say to all hon. members, other than those from Quebec, that they know nothing at all about dictators. Those who come from Quebec know all about what a dictatorship can be. No man in that province can earn a single dollar on any work being carried on by the government unless he first declares that he is a Liberal. If a notary or anyone else who is a friend of the government gets into trouble, the government will pass a private bill to legalize everything. That is dictatorship and autocracy.

At its last session the provincial legislature passed a law taking away the autonomy of the municipalities and putting them under the joug of the provincial government. Any municipality which makes the mistake of electing a Conservative mayor or Conservative councillors finds that it will be treated unfairly by the provincial government.

Mr. RHEAUME: Will the hon. gentleman name some?

Mr. GOBEIL: I do not think any province of Canada or even any civilized country in the world has seen a worse piece of autocracy than the Dillon bill introduced by the government of Quebec.

Mr. RHEAUME: Everyone likes to live there.

Mr. GOBEIL: Is it in the interests of civilization and justice, is it fair to minorities that a provincial legislature should pass a law which gives them control over the courts of the country? I feel certain that in his own conscience every hon. member from Quebec admits that this is not the kind of law which should be passed in a civilized country such as Canada.

May I be allowed to say a few words about Russia? The hon. member for Quebec East (Mr. Lapointe) has claimed in the past to be the champion of the rights of his fellow-Canadians. He may be in the minds of some hon. members, but not in the minds of very many of the citizens of the province of Quebec just now. At the outset of his remarks on this question the other day the hon. member for Quebec East said: Russia is attempting a great experiment.

Mr. MERCIER (St. Henri): What experiment?

Mr. GOBEIL: I do not know just which experiment the hon. member had in mind, but I do know some of the experiments that are being carried on in Russia at the present time. We have heard several members on the other side of the house speak of Russia. The hon. member for Winnipeg North Centre (Mr. Woodsworth) referred to it at length, and my colleague who spoke this afternoon said that it was really a puzzle why the hon. member for Winnipeg North Centre did not leave Canada to live in Russia after all he had said about it. When the embargo on Russian goods was imposed by this government the action was so popular in the province of Quebec that Mr. David, the provincial secretary in the Quebec legislature, introduced a motion in that house with a view to claiming the credit for the order in council passed by this government. In his motion he mentioned the steps that should be taken and warned this government to stop entirely the importation of Russian goods. Why did he do that? The province had nothing whatever to do with the question. It was done solely and simply for the purpose of getting credit with the citizens of the province of Quebec for the action that had been taken by this government.

Mr. WOODSWORTH: May I ask my hon. friend why the embargo was taken off raw furs?

Mr. GOBEIL: In reply I would say that the Prime Minister can very well answer for himself.

Mr. SPEAKER: The hon. member for Compton (Mr. Gobeil) has been subjected to

a great many interruptions, all of which are out of order. I would ask hon. members to allow him to continue his speech uninterrupted.

Mr. GOBEIL: As I was saying, the hon. member for Quebec East spoke of Russia attempting a great experiment. I have in my hand a book entitled Moscou sans Voiles, written by Joseph Douillet, Ancien Consul de Belgique en Russie. Fondé de pouvoirs pour le Sud-Est de l'U.R.S.S., du Haut-Commissaire de la S.D.N., le Prof. Nansen. Délégué de l'European Student Relief à Rostov-sur-le-Don. I wish the hon member for Quebec East were in his seat because I would have asked him if he had read this book.

Mr. MERCIER (St. Henri): What is the name of it?

Mr. GOBEIL: The name is Moscou sans Voiles. Has the hon. member read it?

Mr. MERCIER (St. Henri): Yes.

Mr. GOBEIL: I have no doubt that the hon. member for Quebec East has also read it, so when he was speaking of Russia he was speaking with full knowledge of the facts. I wonder if he was referring, when he mentioned that Russia was attempting a great experiment, to some of the things that are mentioned in this book. The writer of this book has lived nine years in Belgium. He knows Russia probably better than any other European; by reason of his official position, he could go anywhere, to places where other men could not go. At one time he fell under suspicion and was interned. For two years he was imprisoned. In this book he says that one day he went to a school where there were young children, and he heard the schoolmaster questioning one of the boys. I will quote the exact dialogue in French:

(Translation)

The schoolmaster: Tell me, Jeannot, do you pray to God?

The child: Yes, comrade, I pray to God.

The schoolmaster: Does your God give you what you ask him? No answer from the child.

The schoolmaster: Will you ask God immediately to give you bread? You must be hungry?

The child: O yes, comrade, I am very hungry.

The schoolmaster: Very well. Now, pray to God. Who knows, perhaps your Christ will give you bread.

The child hesitatingly kneels down, crosses himself with his little hand and begins to bow to the ground, as he had seen it done in his home. It was a very touching sight to see the ardent and simple faith of this child. But the black crows who watched at his side, after a few minutes, interrupted the child's prayer and asked him.

The schoolmaster: Well, Jeannot, has your God given you bread?

The child with tears in his eyes, without understanding what was expected from him, however, anticipating something.—No, comrade, God is not granting me anything.

The schoolmaster: You see what your God amounts to. Instead of asking him bread, ask some to the communist comrade. Say to him, "Please give me bread, comrade." You will see that the comrade will give you some. And the child half starved, obeyed and submissively repeated:

Comrade, I pray thee, give me some bread.

The communist: You should have begun that way. If you had applied directly to me, I would have immediately given you some bread. You address yourself to God, but have you ever seen him? No, since he does not exist.

Those are some of the experiments, Mr. Speaker, that have been carried on in Russia. Elsewhere in this same book the writer refers to schools attended by young boys and girls of twelve to fifteen and sixteen years of age, and tells of the almost unbelievable immorality that is taking place in those schools. He also refers to marriage and divorce in Russia, and states that in Russia a man and woman may be legally married one day and divorced the next. I wonder if the hon. member for Quebec East was referring to any of these wonderful experiments when he spoke of Russia the other day. While it may be a privilege to be legally married one day and divorced the next, that is not what we want in this country. It does explain to a certain extent why the hon. member for Quebec East (Mr. Lapointe) was so cautious about it.

In conclusion I should like again to refer to the payment of moneys under the Unemployment Relief Act being delayed by the action of hon. members opposite. Let me tell the unemployed in Canada that if their relief is delayed it is due to the fact that hon. members opposite are doing all in their power to delay the measure now before the house. I am asking hon. members opposite from the province of Quebec if that is not their only purpose in delaying the bill. Are they not obstructing so that they may return to the province of Quebec and say that the federal government, so far as paying for government works is concerned, is no better than the provincial legislature. I wonder if all hon. members know that the premier of the province of Quebec declared not so very long ago that there was a deficit of over $12,000,000 in that province, and do they know that hundreds of municipalities in the province of Quebec have not yet been paid for work done during the election of last summer to bribe the electors?

I am not in a position to speak accurately concerning present conditions in my home county, because I left there in the early part of February, but I can say that in the month

of January over $50,000 was owing by the Quebec government to the constituency of Compton for work done during the elections held last year. In the municipality of Hampden work was done during the months of July, August and September valued at $2,000. Just before I left my home I met one of the executive body in that municipality, a councillor, who told me that he did not know what they were going to do. Hampden is one of the poorest municipalities in Compton. The village of Scotstown is in the township of Hampden. That village constitutes the best part of the township, the remainder of it being very poor. He told me that they could not borrow even $500 from the bank, that they still owed more than $1,000 to the citizens of that municipality who were in need of food for their families. I am quite sure that the money has not yet been paid. Through the action of hon. members opposite the small amount due to the municipality of Hampden will be delayed, and the poor people will not receive their relief. I do not know how long or for how many weeks payment will be blocked, but it is a fair assumption that it will be three, four or five weeks.

I say Mr. Speaker, that such action is a disgrace to the Quebec authorities. If last summer the Taschereau government wanted to bribe the electors by giving them work on the roads, they should have had the decency to have the money for the workers. They should have had the decency to pay for work done. The provincial legislature owes money to many municipalities in my constituencey. I could name at least ten or twelve municipalities in the constituency of Compton that have not been paid by the Quebec government for work performed last summer. I say therefore to the people of Canada that although the Liberal opposition in this house seems to be willing to do all in its power to prevent payment, those people are going to be paid because this government will see to it that the resolution now before us and the bill to follow pass.

Mr. SPEAKER: The hon. member has spoken forty minutes.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, as I have sat in my place in a somewhat detached attitude I have felt more than an ordinary interest in the state of mind displayed by the two major parties in the house. Hon. members on the government side of the house have complained bitterly about the time taken by hon. members on this side. I might point out however that until this afternoon two out of three speakers have been on the government side. They have attempted to defend the attitude of the government, so far as this resolution is concerned, and have taken to themselves a certain amount of praise for what has been done during the last eight or nine months in connection with unemployment.

On the Liberal side of the house we find hon. members performing what after all is a legitimate function, namely that of criticizing the attitude of the government. Certainly we are approaching a completely new condition of affairs in the development of parliamentary practice and procedure when we hear a government party complaining about the opposition using the time of the house for legitimate criticisms of government measures. To-day when the hon. member who has just preceded me (Mr. Gobeil) began to speak he told the house his remarks would take only a few minutes, but hon. members must have noticed that Mr. Speaker had to tell him that he had used his full time.

When he complained about blocking the business of the house my mind went back to the year 1930. I think many hon. members opposite will have a very distinct recollection of the debate on unemployment which took place in that year when practically every Conservative member at that time sitting on this side of the house participated in the discussion. What is occurring in 1932 is exactly what took place in this house in 1930. I am surprised to hear hon. members opposite complain about the discussion of a matter which after all is the most important with which this parliament will have to deal. No question to-day is of greater importance to Canadians than that of unemployment and general economic conditions in Canada.

Mr. PORTEOUS: Were the Conservatives in opposition at that time striving to obstruct unemployment relief?

Mr. HEAPS: In 1930 they exercised the legitimate functions of an opposition by criticizing the attitude of the then government in regard to the unemployment situation.

Mr. PORTEOUS: They were criticizing the government for doing nothing.

Mr. McINTOSH: And in 1929 they blocked unemployment insurance.

Mr. HEAPS: I do not agree with that statement, and in the remarks I have to offer I do not wish to have my argument deflected.

It would seem to me that a personal element has entered into the discussion which has taken place. It is most unfortunate if in the dis-

cussion of such a vital question the personal element becomes of greater importance than the real question at issue. During the last couple of days I have heard my hon. friend from Labelle (Mr. Bourassa) criticize both parties. I do not mind their being criticized for their opinions, but when I hear bandied across the floor: "What did the Minister of Labour say on March 17"? or "What did the former Minister of Justice say when he went down last July to a by-election in the province of Quebec"? I feel that debate is not being maintained on a very high plane. Yesterday we were told that the youth of this country are solidly behind the Conservative party because Three Rivers-St. Maurice had gone over to the Conservative party. That was an extraordinary statement, and I envy the blissful ignorance of the hon. member who made it, because at about the same time there was a by-election in the city of Hamilton—of which probably he never heard. In the city the ideas expressed by my colleagues from Winnipeg North Centre (Mr. Woodsworth) and Vancouver South (Mr. MacInnis) and by myself were made the issue. What happened? A Conservative majority of 4,600 was converted into a Labour majority of 3,600. I think most people who know anything about what is taking place in our high schools and our colleges realize that the young people are evincing a greater interest in economic conditions than ever before in the history of the dominion, and if I know anything of the ideas those young people entertain to-day they are anything but favourable to the party now in power.

When we went to Hamilton last year—and I am referring to this only because the question was brought up by the hon. member who spoke of the great Conservative victory in the Three Rivers-St. Maurice by-election—we had nothing to offer the electors.

An hon. MEMBER: And you have nothing yet.

Mr. HEAPS: No, we had no bridges, no wharfs, no $700,000 appropriations in the estimates to offer the electors of East Hamilton, although such inducements were held out to electors during another by-election. We offered the electors of East Hamilton ideas, and they accepted those ideas in preference to the ideas expressed by hon. gentlemen opposite.

So much has been said on the constitutional aspect of the motion that I desire to preface my remarks by a few observations on our constitutional rights and privileges. I admit quite freely, Mr. Speaker, that I do not know a great deal about constitutional questions, I have not given that study to them that perhaps certain other members have, but I should like to express my views on one or two aspects. Our present parliamentary institutions, as has been stated more than once during the course of this debate, date back many hundreds of years, from the time of Simon de Montfort in the thirteenth century. During the whole of that period Great Britain has enjoyed some form of parliamentary institution, and our government to-day is after all only a development of centuries of progress and experience in the old country. Once during the course of those seven hundred years parliamentary government was cast to one side and Britain reverted to a form of dictatorship; I am referring to the brief interregnum when Oliver Cromwell exercised all the powers of a dictator. Hon. gentlemen opposite sometimes tell us how much they dislike the use of the word "dictator." I am very much opposed to any form of dictatorship, and I say quite frankly to hon. gentlemen opposite who so often taunt us of the Labour party about anything we say pertaining to Russia, that we are most bitterly opposed to any form of dictatorship. We stand for the free and full expression of the will of the people of this country. But, as I say, the Lord Protector was a dictator for a few years. Yet I believe there is no British statesman who occupies a higher and more respected place in British history than does Oliver Cromwell. That is an apparent self-contradiction, but I have not the time to deal with it now. Those who have visited Westminster will have noticed in a very conspicuous place in the parliamentary grounds a life-size monument to Cromwell. A few years ago certain Jacobites sought to have the monument moved to a less conspicuous position, but there were loud protests from the radical element in Great Britain and the monument was not disturbed.

I do not attach a great deal of importance to some of the cries in this house of "dictatorship" and "Mussolini." I realize that the constitution should be jealously guarded, but after all it is more or less of a guide by which we may govern ourselves, and changes in the constitution are being made continually. Only last session the government brought down legislation to make some very important constitutional changes. I claim that parliament at all times must adjust itself through its constitution to changing conditions; but I do not want anyone for a moment to infer that I believe any cabinet should clothe itself with greater powers.

The government are now seeking greater authority. They are asking parliament to clothe them with the most extraordinary powers. I claim that behind all these constitutional changes there lies an economic base, and because there is that economic base the government have come to-day demanding from parliament certain powers which probably they may receive as a result of the votes of their supporters. I claim further that up to a certain extent the more extensive powers that the government are now asking are largely a natural sequence to the modern development and trend of capitalism. We have reached a stage to-day in the development of the dominion for which I claim no one party in this house is responsible. I think the two major parties must assume responsibility for the existing conditions. It is due only to the fortunes of political warfare that the Conservative party is in power and the Liberal party in opposition. If my right hon. friend the leader of the opposition (Mr. Mackenzie King) were to-day sitting on the treasury benches as the leader of the government, I should be very much interested to observe what particular action he would be taking on this occasion, not from the constitutional point of view, but from the point of view of dealing with economic conditions.

During the course of the debate we have heard a great deal about the supremacy of parliament. I do not for a moment believe that even if this bill is passed the supremacy of parliament will be abrogated and ultimately will lie in the hands of any government, because after all, while parliament may be supreme within its own borders, the ultimate sovereignty lies with our people, and I have the utmost faith in their ability to judge between that which is right and that which is wrong. I am satisfied that if the electorate to-day were given an opportunity to pass a verdict upon the government in regard to this particular piece of legislation it would meet with wholesale condemnation. But if the government in their wisdom choose to ask parliament to adopt a measure of this character, then they must assume full responsibility for their action.

Something was said the other day by the hon. member for Labelle (Mr. Bourassa) with regard to "invisible government." I think it is because of that invisible government that to-day legislation such as this becomes necessary in the eyes of the government. I have tried to find out the difference between the attitude of the government now in power and the attitude of the banks. When the general managers of the banks made their annual statements to the shareholders at the beginning of this year, practically without exception they said that this was the time to practise strict economy; that was their panacea for the ills of the nation. When those in control of our parliamentary machine brought before this house what we commonly call the speech from the throne, they spoke of rigid economy, so apparently the difference between the attitude of the banks and that of the government is the difference between strict economy and rigid economy.

I want to refer to one or two actions of the government in regard to the unemployment situation. I am reminded of the speech made by the Minister of Railways (Mr. Manion) a few days ago, when he mentioned the two hundred thousand men and women in Canada who had bought government securities up to the value of $2,000. He asked the house what we in this corner would suggest in that regard, whether we wanted the government to confiscate the money these people had managed to save during their lifetime. I want to say this, Mr. Speaker, and I think I am voicing the sentiments of those hon. members who belong to the group to which I belong: We have no desire to confiscate one cent belonging to any individual who belongs to the poorer classes in Canada; that is the last thing we have in mind, but I want to point out to the house one very important fact which apparently has been overlooked by those who seek to act as apologists for the existing economic order. Who was it that took away from the widows and orphans of this country two-thirds of the value of Canadian Pacific Railway stock? When the value of stocks of that kind was diminished by two-thirds, who was responsible for it? Was it the Labour party? When the value of government bonds dropped from $100 to $89, were we of the Labour party responsible for that depreciation? No, Mr. Speaker; those who were responsible for the depreciation in the value of government bonds were the gentlemen who to-day occupy the treasury benches.

Mr. MANION: Would the hon. gentleman explain what he means by that?

Mr. HEAPS: Surely; I am coming to that. When the government wanted funds and, in collaboration with the banks, offered 5½ per cent interest, they immediately depreciated the value of bonds bearing a lesser rate of interest. By that action the government took away from the capital value of those stocks to the extent of 11 per cent, which was about equivalent to the amount of interest

which would have been received if the people had invested their money in bonds bearing the higher rate of interest. So I say that by that action the government confiscated 11 per cent of the value of those bonds, and that was not done as a result of the bolshevistic tendencies of my hon. friend from Winnipeg North Centre (Mr. Woodsworth).

Mr. MANION: Is that not rather a strange type of confiscation?

Mr. HEAPS: It is; I admit that it is a strange kind of confiscation. Before leaving that question I want to say that in my humble opinion we have reached the end of an epoch; we are now entering upon a new era in the history of this country, and probably in the history of the world. Governments of to-day, as well as those interested in politics, must make up their minds as to which way they are going to travel. I believe we have reached the parting of the ways; we must either work towards a greater, a freer and a nobler democracy or we must continue in the other direction, in which the financial institutions are leading us, which ultimately will mean some form of fascism or dictatorship. If I have to choose between the two, Mr. Speaker, I will choose the free and full democracy, but that democracy cannot be brought about unless we realize certain fundamental principles. For many long years the masses of the people of Great Britain have been fighting for a political democracy, and to-day they have practically achieved that objective. To-day they have the right to elect their representatives to parliament to legislate in their own interests, but in this country so long as parliament is dominated by the hand of finance, and so long as parliament must bow down to the will of those who control our financial institutions, we are not here as free individuals. That is the reason why I made my previous statement; I do not think we have any alternative. In the past we have achieved a political democracy, but now the great masses of the people must achieve economic freedom; we must bring about what might be called an economic democracy. In other words, we must control those institutions which, to a very large extent, control parliament at this time.

What does economic freedom mean? In the first place it means that the individual must have that economic security in life to which every citizen is entitled but which every citizen does not possess at the present time. It means that the individual to-day cannot have that sense of economic freedom while economic power is vested in the hands of a few, who use that economic power for selfish purposes. To put the matter in another way, the economic forces of the nation must be so harnessed and controlled by parliament that they will be utilized for the common good; the present practice in industry must give way to the higher conception that the forces of production and distribution are a means of satisfying human needs and human requirements. Competitive individualism must give way to the new ideal of cooperative effort, when the individual will realize that he has an interest in the state and that the state has an interest in his well being. Under private control and ownership of the means of production this is not possible; hence we must look to something else as a way out of our difficulties.

One of the main reasons for our present financial difficulties, Mr. Speaker, is that we are passing through an era of contracting capitalism. Until 1929 we were going through a period of expanding capitalism, and now the government is engaged in the thankless task—in which they have my whole-hearted sympathy—of trying to make the contracted dollar of 1932 equal the expanded dollar of 1929. I say that cannot be done. When the government can make two and two equal six they will be able to make our present contracted dollar equal the expanded dollar of 1929. Our debt is now greater because of that fact; our interest charges have increased; our fixed annual charges to-day are greater than ever before in the history of this dominion. Our income has shrunk, not because quantity production has shrunk, although that has been the case to a certain extent. Our dollars have shrunk because values have shrunk. To-day, in spite of the hardships that we have in our midst, in spite of poverty and all that poverty entails, there is more wealth in this country, more potential wealth, than there ever has been in Canada. Now I claim it ought to be the task of governments to get down and try to deal with this fundamental question. If there were a shortage of commodities in Canada, if there were any shortage of real wealth, then there might be some excuse for the suffering which there is in this country. But, as I have said, there is no shortage of either real or potential wealth and therefore there is no excuse for any poverty in our midst.

The government have been taking a good deal of credit for the fact that 334,000 people were provided with an average of twenty-three days' work during the past six months. From my seat in parliament I want to give the government full credit for all that has been accomplished in the way of providing

work during the past winter. It was quite a stupendous task to provide employment for 334,000 people in Canada. I think, however, that a moment's sober reflection will show that there is nothing that we in Canada have to be proud about when we find, in the midst of so much wealth, that 334,000 men were compelled to appeal to the government to help them to eke out some miserable form of existence. I say, I do not think there is anything for us to be proud about. But allowing the government all the credit in the world for what they have done in this respect, I want to show something of the other side of the ledger. Let us try to get a true picture of the unemployment situation in Canada.

I figure that if the amount of time worked by these men who were employed on government relief works were put upon the basis of one year's employment, it would represent employment for approximately 25,000 people. That is another way of putting it; that is to say, the government found work for 25,000 people for twelve months. Now in this year's estimates we find, out of controllable government expenditures, there is $55,000,000 less provided than was provided the year before, and I venture to say that, with the reduction in the estimates of civil government for the past fiscal year, they put as many people out of work as they actually employed by giving an average of twenty-two days' work to 334,000 people.

Let us take the latest figures for the railways—because after all this is a fair barometer of conditions in Canada. I find that at the peak of 1929 there were 201,060 men employed on the railways. On December 31, 1931, a little over two months ago, there were 130,802 persons employed on the railways, a reduction of 70,258, or, in other words, a reduction of approximately thirty-five per cent in the number of men employed on the railways in Canada. And if that is the situation with regard to the railways, then I believe it is only a fair indication of what is taking place also in other industrial enterprises in Canada.

I claim that within the confines of the existing structure the government will not be in a position to find any remedies for the unemployment situation. The government have asked us for suggestions. Well, we have made many suggestions to them from this corner of the house, but they take our suggestions and throw them into the waste basket, and therefore we do not feel inclined to offer many more. We do not want to have our suggestions handled in such an unceremonious manner. But we have put forward suggestions.

[Mr. Heaps.]

For example, seven years ago the hon. member for Winnipeg North Centre and I offered a suggestion with regard to old age pensions, and we were likened to Robin Hood because we dared to ask for some provision for the aged. Then we made a request for unemployment insurance, and although we were told five or six years ago that we were rather premature in putting forward that suggestion, we find that to-day all hon. members are in favour of granting some form of unemployment insurance. I sincerely trust that during the lifetime of this parliament the government will introduce a measure of unemployment insurance and that it will be of such a nature that we of the Labour group can support it. Again, a few weeks ago we suggested shorter hours and increased purchasing power. But all these have gone into the discard as not acceptable.

Now I am going to offer one other suggestion, a novel one perhaps, but one that has been discussed for many years; and in view of the fact that the unemployed portion of our population seems to be something more or less permanent in the social structure of the country, and although the present government or any government in the immediate future may not be able or willing to handle it fundamentally, I should like to see the government seriously consider the proposal of trying to make the unemployed in Canada a self-contained element in the community. I know that a proposal of that sort could be discussed pro and con and a good deal could be said against it as for it. But after giving this question a little study I believe that, while all that could be said against it would have considerable weight with those who might form an opinion, the idea of making the unemployed in this country self-sustained, so that they might be able to retain all that is best in them, is something that is worthy of serious consideration both by the government and by members of this house.

Before I conclude I wish to refer to some remarks made this afternoon by the hon. member for East Algoma (Mr. Nicholson), remarks which I do not think ought to go unchallenged in this house. I have a good deal of respect for any hon. gentleman elected as a member of this house. A good deal of honour attaches to any man who has the confidence of the people who elect him to represent them in this chamber, and there is always in this house a certain standard of conduct which I believe most hon. members try honestly to observe. When the hon. member for East Algoma spoke this afternoon he discussed certain observations made by my

hon. friend from Vancouver South (Mr. MacInnis) in reference to Russia, and it seemed to me that when the hon. member for East Algoma was discussing my hon. friend's remarks he was unfair to himself, to the hon. member for Vancouver South, and to the house as well. I said to him, "Will you kindly read the statement in full?" And his reply was, "I will make my speech in my own way." Well, he is perfectly entitled to do so, and I am entitled to reply to him in my own way. He quoted certain remarks of the hon. member for Vancouver South as reported at page 982 of Hansard. I asked him to continue the quotation but he would not.

Mr. NICHOLSON: Did the hon. member expect me to read the whole of the hon. gentleman's speech?

Mr. HEAPS: I wanted the hon. member to be fair to the house and to finish the sentence which he was quoting; that was all. Seeing, however, that he did not finish the sentence, I am going to finish it for him. I will quote the whole sentence, of which the hon. member for East Algoma read but a brief extract. My hon. friend from Vancouver South was replying to a statement made by the Minister of Railways, and he said:

When the Minister of Railways is discussing Russia he should not forget that Russia at the present time is at war;—

I asked the hon. member for East Algoma to continue with the statement, but he refused. He quoted only one-half of the sentence, the remainder reading:

—it is making war on poverty, on ignorance and on the superstition that has grown and fattened under the czarist rulers.

I think the hon. member did himself a great injustice when he refused to read to the house the complete statement.

On motion of Mr. Mackenzie (Vancouver) the debate was adjourned.

At six o'clock the house adjourned, without question put, pursuant to standing order.

Thursday, March 17, 1932

The house met at three o'clock.

CHARGES BY HON. G. N. GORDON

Mr. J. L. BOWMAN (Dauphin): I have been asked by the chairman of the committee investigating the charges made by Hon. G. N. Gordon to present the second report of the special committee appointed to inquire into certain charges and allegations made by Hon. G. N. Gordon, K.C., together with the exhibits filed, and a copy of the proceedings and evidence taken:

The special committee appointed to inquire into certain charges and allegations made by the Hon. George N. Gordon, K.C., beg leave to present the following as a second report:

After hearing the evidence, your committee is agreed that the charges and allegations contained in the extracts from The Globe newspaper, as set out in the order of reference, were, in fact, made upon public occasions in Hamilton, Ont., on January 6, 1932, and in Lindsay, Ont., on January 8, 1932, by the Hon. George N. Gordon, K.C., as reported in The Globe newspaper of Toronto, Ont., with the exception that the words "Mrs. Herridge" appear in The Globe of January 6, whereas the words "Mr. Herridge" were those used.

As to the statement that a new private car was constructed for the use of the Prime Minister at a cost to the people of Canada of $125,000, your committee feels that this charge is of a relatively minor character, it being a charge of extravagant expenditure, and not one of misappropriation. It finds, however, that the statements made in this respect gave an entirely erroneous impression of the transaction, and were not warranted by the facts as brought out in evidence. Your committee points out that there has been no increase in the number of government private cars since the present government assumed office.

As to the charges and allegations so made, other than that above dealt with, your committee is of the opinion that they were of a most serious nature, calculated to do injury to the reputation of the Right Hon. R. B. Bennett, Prime Minister of Canada, a member of the House of Commons; and your committee finds that the charges and allegations so made were untrue.

Your committee finds further that these charges and allegations were made with the intention of injuring the Right Hon. R. B. Bennett, Prime Minister of Canada, a member of the House of Commons, in his office as Prime Minister, and were made recklessly and without any adequate attempt to ascertain, before making them, whether they were true or untrue.

In the opinion of your committee, the conduct of Mr. Gordon in making the statements he did was reprehensible and deserving of the censure of the House of Commons, the more so as Mr. Gordon is a member of the King's Privy Council for the Dominion of Canada.

A copy of the proceedings and evidence taken, together with the exhibits filed, is attached.

All of which is respectfully submitted.

G. R. Geary,
Chairman.

Mr. HOWARD: Messrs. Howard and Duff dissenting.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

IMPORTATIONS OF BUTTER FROM NEW ZEALAND

Mr. GOTT:

How many pounds of butter were imported from New Zealand into Canada for the fiscal year ending March 31, 1931?

Mr. STEVENS:

Canada's imports of butter from New Zealand by months for the fiscal year ending March 31, 1931, were:—

Months—1930	Pounds
April	2,455,061
May	2,838,575
June	2,852,529
July	434,034
August	1,805,233
September	876,752
October	2,167,254
November	64
December	84,242
1931	
January	1,796
February	132,338
March	147,002
Total, fiscal year 1931	13,794,880

PROTECTION OF CANADIAN SHIPBUILDING INDUSTRY

Mr. FORTIN:

1. Since August 7, 1930, were requests made to the government and were measures taken to place a duty of 25 to 50 per cent in order to protect the Canadian maritime construction and repair of ships in Canada?

2. If so, what measures were taken?

Mr. RHODES:

1 and 2. Requests have been received on several occasions since August 7, 1930, looking toward increased protection for the shipbuilding industry. No tariff changes relative to this industry, in so far as Items 440 and 440 (a) are concerned, were effected since the date above named.

CANADIAN MISSION TO SOUTH AMERICA

Mr. POULIOT:

1. What was the total cost of the travelling expenditure of the Canadian mission headed by hon. member for Argenteuil (Sir George Perley) to South America early last year?

2. What was the total cost of communications exchanged between the Canadian delegate or delegates on such mission and any member or official of the government: (a) by cable; (b) by wireless; (c) by wireless telephone?

3. What was the total amount of our imports from and our exports to South America: (a) last year (1931); (b) the year previous (1930)?

Mr. CAHAN:

1. Expenses incurred by the Right Hon. Sir George Perley and secretary in connection with trade mission to South America—$5,569.67.

[Mr. Howard.]

2. Cost of communication forwarded to Sir George Perley:—

(a) By cable
(b) By wireless } $153.48

(c) Wireless telephone services were rendered without charge by the telephone companies in connection with the establishment of new long distance circuits during the British Empire trade exhibition at Buenos Aires.

Cost of messages sent by Sir George Perley to any member or official of the government included in total expenses indicated in No. 1 above and is not available separately.

3. Canada's total imports from and domestic exports to South America for the calendar years 1931 and 1930, were:—

(a) Calendar Year 1931

Countries	Imports from	Domestic Exports to
	$	$
Argentina	3,205,430	4,575,497
Bolivia	..	81,271
Brazil	1,038,860	1,139,118
British Guiana	4,247,774	892,279
Chile	108,733	580,493
Colombia	5,051,350	648,911
Dutch Guiana	..	71,052
Ecuador	399	32,236
Falkland Islands	10	
French Guiana	..	40,450
Paraguay	22,228	35,699
Peru	2,976,418	698,265
Uruguay	111,025	529,102
Venezuela	634,662	600,762
Total 1931	17,396,889	9,925,135

(b) Calendar Year 1930

Countries	Imports from	Domestic Exports to
	$	$
Argentina	7,641,000	12,417,486
Bolivia	..	40,265
Brazil	1,391,111	3,311,070
British Guiana	4,419,969	1,325,954
Chile	546,994	1,106,758
Colombia	5,691,726	1,264,611
Dutch Guiana	..	82,130
Ecuador	..	65,622
Falkland Islands	..	
French Guiana	..	67,456
Paraguay	12,424	52,160
Peru	4,527,217	1,866,066
Uruguay	187,039	908,998
Venezuela	2,947,881	1,081,437
Total 1930	27,365,361	23,590,013

UNEMPLOYMENT RELIEF, PICTOU COUNTY, NOVA SCOTIA

Mr. ILSLEY:

1. What federal public works in Pictou county, Nova Scotia, have been constructed or undertaken by the government under the Unemployment and Farm Relief Act, 1931?
2. What amounts were authorized in respect of each work?
3. What are the names of the foremen employed in respect of each work and on whose recommendation were they appointed?
4. On whose recommendation was the selection made of men to be given employment in connection with each of these respective works?
5. What was the expenditure actually incurred in respect of each of such works?
6. Are any such works as yet unfinished, if so, which of such works?
7. On whose recommendation did the government decide on the authorization of each of the works referred to?

Mr. STEWART (Leeds):

(1)	(2)	(3)		(4)	(5)	(6)	(7)
	$	(a)	(b)		$ cts.		
Abercrombie—Wharf repairs	4,000	N. F. Henderson..	District Engineer	District Engineer and Foreman	3,864 40	Completed.....	District Engineer.
Bailey's Brook—Extension to pier.	4,500	H. Scott Patton..	"	"	2,701 63	Work suspended for season.	"
New Glasgow—Wharf extension.	11,000	J. H. McDonald..	"	"	10,705 83	Completed.....	"
Pictou—Repairs to commissioners wharf.	3,000	M. Langill.....	"	"	2,980 46	"	"
River John—Wharf repairs..	1,000	J. E. MacDonald.	"	"	998 94	"	"
Trenton—Completion of new wharf.	500	J. W. Powell.....	"	"	496 10	"	"

CIRCULATION OF BANK NOTES

Mr. SPENCER:

What was the total of chartered bank notes, dominion notes and subsidiary coin in circulation on July 31, 1929, and January 31, 1932, respectively?

Mr. RHODES:

	As at July 31, 1929	As at January 31, 1932
Total bank notes in circulation..	$170,113,031 00	$133,673,369 00
Total dominion notes issued and outstanding...	196,441,166 54	170,382,805 69
Canadian gold and subsidiary coin issued and outstanding ..	32,684,147 75	34,474,608 00

POST OFFICES—COUNTY OF TÉMISCOUATA

Mr. POULIOT:

1. How many post offices were there in the county of Témiscouata, in August, 1930?
2. To how many postmasters did the Postmaster General send a circular letter requesting resignation for political partisanship?
3. How many postmasters, in the county of Témiscouata, sent in their resignations since August, 1930?
4. What are their names?
5. By whom were they replaced?

Mr. SAUVE:

1. 74.

2. No postmasters were asked to send in their resignations but 14 were communicated with in connection with charges of political partisanship made against them.

3. 2.

4 and 5. Jos. Michaud, postmaster at Lamy, replaced by C. J. W. Levesque; Chas. Bossé, postmaster at St. Eusebe, replaced by Paul Langlois.

Mr. POULIOT:

1. How many post offices were closed, in the county of Témiscouata, since August, 1930?
2. What are the names of the postmasters who were in charge of each of these respective post offices?

Mr. SAUVE:

1. 3.

2. Detour du Lac, Isaie Beaulieu; Dartigny, Emile Beaulieu; Isle Verte Sud, Jos. Dumont.

UNEMPLOYMENT RELIEF—RICHMOND-WOLFE COUNTY

Mr. LAFLECHE:

What is the total amount agreed upon between the provincial and federal governments, for the county of Richmond-Wolfe, in connection with the Unemployment Relief Act?

Mr. GORDON:

Under the Unemployment Relief Act, 1930, the Dominion government agreed to con-

tribute $19,150 to public works and undertakings in the county of Richmond, and $13,955 in the county of Wolfe.

Under the Unemployment and Farm Relief Act, 1931, the Dominion government agreed to contribute $25,600 to public works and undertakings in the county of Richmond, and $7,000 in the county of Wolfe.

QUESTIONS PASSED AS ORDERS FOR RETURNS

CIVIL SERVICE EMPLOYEES

Mr. CHEVRIER:

1. How many civil servants (inside service) who have reached the age of 70, are still employed in the various departments at Ottawa?
2. What positions do they occupy; what salaries are they paid annually; what retirement allowance would they receive, annually, in each case, if retired?
3. How many come under the Civil Service Superannuation Act?
4. How many come under the Civil Service Retirement Act?
5. What amount of retirement allowance (lump sum) would each one receive upon retirement?

Mr. CAHAN: I am asking that this question stand as an order for return because I am having some difficulty in obtaining all the facts.

CIVIL SERVICE EMPLOYEES

Mr. TETREAULT:

1. How many persons were in the government's service, at Ottawa, on July 1, 1929?
2. How many were employed as temporaries?
3. How many were permanently employed?
4. What was the total amount paid yearly in salaries to these employees?
5. How many were French Canadians?
6. How many belonged to other nationalities?
7. What was the total amount paid yearly in salaries to French Canadian employees on July 1, 1929?
8. How many persons were in the service of the government, at Ottawa, on July 1, 1930?
9. How many were employed as temporaries?
10. How many were permanently employed?
11. What was the total amount paid yearly in salaries to these employees?
12. How many were French Canadians?
13. How many belonged to other nationalities?
14. What was the total amount paid yearly in salaries to French Canadian employees on July 1, 1930?

Mr. CAHAN: The same applies to this question. I am asking that it stand as an order for return. We are working on it, but it will be some time before we can supply all the data required.

[Mr. Gordon.]

VANCOUVER HARBOUR COMMISSION, MOODYVILLE PROPERTY

Mr. MacINNIS:

1. What were the estimated quantities and the prices for the different classifications on which the Vancouver harbour commissioners entered into a contract with ss. Magoffin Company, Limited, for excavation and fill in respect to the Moodyville property, and the reclamation area on the north shore of Burrard inlet?
2. What was the date of the contract and the date of completion of the work?
3. What are the names of the committee of engineers appointed to make classification of material as the work proceeded, how much was paid to each, and why was appointment of such a committee resorted to?
4. What was the last estimate in quantities of different material submitted by this committee of engineers?
5. Was the classification made by these engineers enforced?
6. Under what authority was a single arbitrator appointed?
7. What was the quantity classification and price award made by the arbitrator, with his name, occupation, time employed and amount paid for his services?
8. How much was paid to Magoffin Company for extras, and what was the total amount paid for all work done?
9. In what amounts have the commissioners distributed the total cost of this work between the Moodyville property and the reclaimed area?
10. Who was the owner of the Moodyville property at the time this work was done?
11. Is it a fact that the original draft of the cross sections disappeared permanently during the progress of the work?
12. Who were chief engineer or acting engineer and consulting engineer to the commission during the job?
13. Who comprised the commission when the job was completed and paid for?

Mr. MacINNIS:

1. What is the amount paid by Vancouver harbour commission for purchase of Moodyville property, with name of vendor and date of purchase?
2. Who comprised the commission when purchase was made?
3. What is the name, address, occupation and amount paid respecting each person who made a valuation of this property for the commission?
4. Had any part of the area purchased been previously improved under the Magoffin contract, and if so, at what cost?
5. What is the total area purchased and how much of it is above high water line, and how much below high water line?
6. What is the distribution of the purchase price between the portions of the property above and below high water respectively?
7. Was the right-of-way for the Vancouver harbour commission terminal railway through the Moodyville property, in the possession of the commission before this purchase was put through, if so, what was the cost of this right-of-way?
8. Has the property been put to any use since, if so, what use?

9. What are the annual carrying charges on account of this purchase?

10. Is the government obtaining a return from this property?

UNEMPLOYMENT RELIEF

REQUEST BY CITY OF PRINCE RUPERT FOR FEDERAL AID

On the orders of the day:

Mr. OLOF HANSON (Skeena): I should like to direct a question to the government based on a telegram which I received this morning from the city of Prince Rupert. It is as follows:

At a meeting of the council held on the fourteenth instant the following resolution was passed and I was instructed to telegraph the same to you:

"Whereas the city of Prince Rupert has carried the burden of feeding the destitute at a cost beyond the capacity of the city to carry, and whereas the number of these destitute will probably be doubled on account of the halibut fishing being already deemed a failure in this port, the halibut prices down to three and a half cents and two cents making it impossible for fishermen to carry on, and whereas the fishing industry is the only payroll at present possible in this city, and whereas the destitute are badly in need of clothing as well as of food, and whereas the mining and lumbering industries are completely paralyzed with all mills closed down, and whereas this city is unable to finance the unemployed any further, being also unable to meet their own obligations on account of the reluctance of the bank to help, be it resolved that a wire be sent to both the members of the Dominion and provincial parliaments asking that the Dominion government take over the full charge of the direct relief and that ample provision be made to relieve the acute situation at present existing."

Will the government give this matter serious consideration and speedy action?

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, I confess I have had a good deal of difficulty hearing the remarks of the hon. member. I understand however from what he was reading that he is interrogating the government with respect to an important matter concerning the city of Prince Rupert in the province of British Columbia. If he will let his question stand as a notice I will look into the matter and at the earliest possible moment give him all the information we have.

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—CONSIDERATION OF RESOLUTION

The house resumed from Wednesday, March 16, consideration of the motion of the Prime Minister that Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole on the following proposed resolution:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, impressed as I am with the significance of this particular occasion and realizing this is the only opportunity I shall have during my forty minutes to say something with which every hon. member in this house will agree, may I as a Scottish born Canadian be permitted to say how much we appreciate the marvellous contribution that has been made to the development and upbuilding of our Canadian nation, both in settlement and in government, by those of Irish birth and lineage.

Some hon. MEMBERS: Hear, hear.

An hon. MEMBER: Say it over again.

An hon. MEMBER: St. Patrick's Day in the morning.

Mr. MACKENZIE (Vancouver): Fifteen hundred years ago that marvellous patron saint of Old Erin landed upon the Irish shores. The spirit and genius of the Irish race, to my mind, has been exemplified in those wonderful lines of the Irish poet O'Shaughnessy:

> We are the music makers,
> And we are the dreamers of dreams
> Sitting by lone sea-breakers
> And sighing by desolate streams.
>
> World losers and world forsakers,
> And when the pale moon gleams
> We are the movers and shakers
> Of the world forever, it seems.

I trust, Mr. Speaker, with the unanimous consent of the house, you will not take this time off my forty minutes.

An hon. MEMBER: Carry on like that, and we will not.

Mr. MACKENZIE (Vancouver): The real sentiment I desire to express in all sincerity is that we, representing the various portions of the Canadian nation in this house of parliament, express a sincere hope for the prosperity of Erin and that those people of Irish descent, may in years to come be privileged to make an ever increasing contribution to the literature, the music, the arts, the trade, the commerce and the general upbuilding of our Canadian nation.

Now, Mr. Speaker, the buttons are off the foils. The resolution before the house has been debated for about ten days.

An hon. MEMBER: Too long.

Mr. MACKENZIE (Vancouver): Yes, too long, but due to a deliberate lack of preparation by the government which you support. The resolution to my mind invites consideration under three main heads. In the first place, it is the only announcement we have had during the present session of any government policy to deal with the grave question of unemployment; in the second place, it is indicative of the superlative ineptitude of the administration in its failure to produce at this session a real constructive and comprehensive policy in regard to unemployment; in the third place, it is a blunt and blatant evasion of the ordinary rules of parliamentary procedure, and a ruthless, arrogant and autocratic disregard of the functions and responsibilities of parliament and of the rights of the Canadian people. This resolution entails first, consideration of the record of the administration in dealing with unemployment. I am sorry the right hon. Prime Minister (Mr. Bennett) is not in his seat, because he is the arch-author of our present miseries in regard to unemployment.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancouver): Is there any hon. gentleman opposite, Mr. Speaker, who will deny the scope, the extent and the character of the promises made by the Prime Minister during the election of 1930?

An hon. MEMBER: The same old story.

Mr. MACKENZIE (Vancouver): The same old story! I suppose my hon. friend wants something new. Well, I am reminded of the song: "Every Little Girl Can Teach You Something New."

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancouver): I trust, Mr. Speaker, that I have a meticulous timekeeper who will take off from my precious forty minutes all these senseless, useless interruptions. I know my hon. friends opposite are restless and apprehensive lest I place again on the pages of Hansard the character and extent of the reckless promises that were made by their leader in 1930.

An hon. MEMBER: Turn on the gas.

Some hon. MEMBERS: Order.

Mr. MACKENZIE (Vancouver): Let me tell hon. gentlemen opposite, we shall place those reckless promises on Hansard as frequently as we wish, and we shall go on every platform throughout the dominion and place those extravagant promises before the Canadian nation. I want hon. gentlemen opposite to explain what their leader meant when he promised the Canadian people: I will cure unemployment. "There is no excuse for unemployment if the government does its duty" in British Columbia; "there is no excuse for hard times if the federal government does its duty!" These promises were either true or false. If they were true during the summer of 1930, when in the classic language of Sir Henry Drayton, "The sun is still shining and the rivers are still sparkling down to the sea," then they were equally true in 1932. If we are to accept as true the words of the Prime Minister, that there was no excuse for unemployment in Canada during 1930, then those words are a ringing challenge to him in regard to his confessed failure to cure unemployment in 1932. We say these promises were definite, we say they were sweeping, we say they regarded the unemployment problem as a national problem. Let me quote very briefly from the statement made by the right hon. gentleman at Montreal:

> Unemployment has become a national problem in Canada. It is the direct result of nine years of unsound economic policies applied by the Liberals.

Some hon. MEMBERS: Hear, hear.

Some hon. MEMBERS: Order.

Mr. MACKENZIE (Vancouver): Surely, Mr. Speaker, "The Lord hath delivered them into my hands." In 1930 unemployment in Canada, according to Tory speakers, was caused by what? They said it was caused by the policies of the administration of that day. In 1932 we have witnessed the sorry spectacle during this session of member after member of a servile and subservient majority rising in their places and saying: "Oh, world conditions alone are responsible for unemployment in the dominion." Well, Mr. Speaker, they cannot have it both ways. We say that world conditions were responsible for unemployment in 1930 and that world conditions are largely responsible for the deplorable situation in 1932. But we say further that the effect of world conditions upon unemployment in Canada in 1932 has been aggravated and accentuated by the hopeless and futile policies pursued by hon. gentlemen opposite. We say categorically that the promises made have not been kept, and that the Prime Minister has broken faith with the Canadian nation.

Some hon. MEMBERS: No, no.

Mr. MACKENZIE (Vancouver): I say he has most deliberately broken faith with the Canadian nation.

Some hon. MEMBERS: No, no.

Mr. MACKENZIE (Vancouver): Did he, or did he not, tell the Canadian people, "I will end unemployment or perish in the attempt?"

An hon. MEMBER: Didn't he try?

Mr. MACKENZIE (Vancouver): I submit, Mr. Speaker, that he has not ended unemployment.

An hon. MEMBER: He has not perished yet.

Mr. MACKENZIE (Vancouver): He is perishing very, very rapidly, he is disintegrating most perceptibly. According to his own figures produced before this house, on September 19, 1930, there were unemployed in the dominion 117,000. According to the figures given last week by the president of the Trades and Labour Congress to-day there are 550,000 Canadian citizens out of work. So that the concrete result of the policies and the plans of this administration is that we have expended $150,000,000 in eighteen months and have multiplied our unemployed almost fivefold. That is, at the present rate the government are pursuing their policy in regard to unemployment they are expending $100,000,000 a year. With what result? To-day we have hunger marchers parading through the streets of Vancouver, Calgary, Edmonton, Winnipeg and Montreal. What conditions have we to-day on the spacious plains of our great prairie provinces? What conditions have we on the farms in old Ontario? Yet do we not remember, Mr. Speaker, another voice calling in the far west: "When did free trade fight for you? I will make tariffs fight for you?" But what have their precious, priceless tariffs done for our primary producers and our manufacturers? They have ruined Canadian trade.

Some hon. MEMBERS: No.

Mr. MACKENZIE (Vancouver): I maintain they have ruined Canadian trade. Our trade is down by nearly $1,000,000,000. The government have stifled Canadian trade with their pernicious prohibitions. They have shaken the foundations of imperial trade. What have hon. gentlemen opposite done in regard to agriculture? We have heard our friends from the west, men who have toiled upon the farms and know whereof they speak, state that never since confederation have the prices received by the primary producers been so low as they are to-day under this great fabric of tariffs. "I will make tariffs fight for you."

An hon. MEMBER: Why don't you go outside?

Mr. MACKENZIE (Vancouver): Let my hon. friends opposite go out into the constituencies, let them face the people of Canada and ascertain what they think with regard to what the tariff policy of this administration has done for Canadian trade. What has it done? It ruined the New Zealand trade. We have not yet had the New Zealand treaty produced for the consideration of this house, but we have had the spectacle of my very good friend and esteemed opponent, the hon. Minister of Trade and Commerce (Mr. Stevens), sailing to the sunny strands of Waikiki and there endeavouring to repair the ravages that he and his party made in our trade with New Zealand. Then, Mr. Speaker, we had the special session of 1930.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancuover): You should be patient and listen to the truth for once. We had the special session of 1930, ostensibly called to redeem the pledge to end unemployment, and what happened during that session? We had increases in two hundred items of the Canadian tariff, and towards the end of that two weeks' session we had thrown in our faces an unemployment policy giving $20,000,000 for purposes only specified in a general and not in a particular way. Any time we dared raise our wicked voices on this side of the house hon. gentlemen opposite said, "Hush, hush; be careful lest ye keep from the councils of the Imperial conference that great Canadian statesman, the Prime Minister."

Foolishly, sir, we permitted him to go to the conference, and what happened? May I draw a contrast for the benefit of the house, and particularly for my hon. friends from the old province of Quebec. You will remember that Sir Louis Davies moved the resolution in 1893 in this commons with regard to preferences; you will remember that after the election of 1896, when Laurier and Fielding were returned to power, a special session was called in April, 1897, on the eve of an imperial conference. They brought down preferences to Great Britain and, after a special session lasting two or three weeks, Laurier sailed for the old land. He laid upon the knees of Queen Victoria the Good, in the year of her diamond jubilee, a magnificent gesture by Canada looking to real imperial unity, not a unity achieved by blustering bargaining such as we see to-day. Laurier returned to Canada after receiving the acclaim of England and

France, and for many months after his return Canada knew not the meaning of political parties.

What happened in 1930? The Prime Minister of Canada, after raising the tariffs against our kith and kin in the motherland, crossed the seas to that lovely old island and strutted most magnificently into the council room of empire, bearing pompously upon his shoulders the newly acquired mandate of public approval. He most imperiously issued to the almost affrighted delegates from the other portions of the empire his ultimatum in regard to a ten per cent increase in tariffs all round and returned to Canada without acclaim or approval. That is the contrast between 1930 and 1897.

Now let us come to the special session. At page 140 of Hansard for that session the Prime Minister said:

> . . . we are asking this parliament by the measure now before it first of all to recognize the situation as one of a national character and secondly to agree to the appropriation of the sum of $20,000,000 . . .

Then he stated the various ways in which that money was to be applied. At that time the Prime Minister gave the number of unemployed as 117,000. May I recall the prophetic utterances of my hon. friend from Weyburn (Mr. Young) on that occasion, as found at page 115 of Hansard for that session:

> This proposal to take $20,000,000 of the taxpayers' money and spend it on public works and other things to relieve unemployment is fundamentally unsound. It will not relieve unemployment. It will not relieve the smallest fraction of unemployment. After you have done all this work, you will find more unemployment in the country than you had in the beginning.

Surely that statement has been borne out by the facts. Now I would recall our attitude on that occasion, as indicated by the right hon. leader of the opposition (Mr. Mackenzie King) at page 163 of Hansard for the second session of 1930:

> . . . I think that would have been entirely the best plan for the government to have adopted—to have appointed a special body for the purpose of administering this fund, to have made that body responsible for every dollar of the expenditure, and to have had the accounts audited in detail by the Auditor General of this country. If that course is not to be followed—and I assume it is not—then I think it is doubly important that great care should be taken to see that the money goes to the destination for which it is intended.

Now I should like to quote, with particular emphasis, the words of the Prime Minister as they appear at page 175 of Hansard for that year:

> . . . I have said further that this government accepts the responsibility that is involved in this expenditure.

What have we to-day in British Columbia? Sitting in the capital city of that province we have a committee investigating the maladministration of unemployment moneys throughout the province, though on the declaration of the Prime Minister himself, as found at page 175 of Hansard, this government has accepted full responsibility for the administration of every cent voted by this parliament in regard to relief in the province of British Columbia. Now may I recall with diffidence my own words on that occasion, as found at page 179 of Hansard. They were almost prophetic also in regard to what was to transpire:

> . . . the people of British Columbia to-day do not want the hon. Minister of Finance of British Columbia to be responsible for any expenditure in that province of any part of the money which this parliament is about to vote. . . the people of British Columbia to-day would much prefer to have the expenditure of any portion of this $20,000,000 in the province under the direct supervision of this government . . .

I want to tell hon. gentlemen opposite that if that plan had been followed they would have avoided a great deal of grief in British Columbia. On that occasion we asked four things. We asked the government to bring in a supply bill; we asked that this House of Commons retain control over expenditure; we asked a thorough and complete audit by the Auditor General of this dominion—and this afternoon I am asking this government, through the Minister of Justice (Mr. Guthrie), to have a complete audit made of the funds in British Columbia under the auspices of the Auditor General of Canada—and we asked also for the appointment of a national unemployment relief commission.

Now, sir, we come to the session of 1931, and what happened? We had this nefarious bill introduced. My hon. friend the Minister of Trade and Commerce (Mr. Stevens) said the other day that the bill was absolutely in order because it was approved by the Canadian parliament. I want to inform my hon. friend that such approval was only obtained by coercion as far as the minority in this parliament was concerned; that bill never did and never will receive the approval of those who believe in the fundamental and essential principles of liberty and the freedom of parliament under the constitution. That bill was divided into three parts. In the first place it dealt with the relief of unemployment in a general way; in the second place it dealt with farm relief in the west, and in the third

place it contained this pernicious phraseology having to do with peace, order and good government in the Dominion of Canada. I should like to recall to hon. members two very short declarations made on that occasion, one by my right hon. leader and the other by the hon. member for Quebec East (Mr. Lapointe). The right hon. leader of the opposition, at page 4415 of Hansard for 1931, is reported as follows:

If this measure were dealt with as it deserves to be it would be the duty of the House of Commons to remain in session until the measure was withdrawn. That is the only way in which I believe a free parliament could in the circumstances be expected to maintain the rights of a free people.

The hon. member for Quebec East, at page 4418, said:

I say it is a piece of despotism which has not had any parallel in the history of Canada or so far as I am aware of any other democratic country enjoying responsible government. It is the establishment of a virtual dictatorship. There is no doubt about it.

Let us characterize under three headings what was done by the bill of last year. The first thing was this: It was the last order of the session, appearing on the order paper towards the end of July or in the first days of August, after about fifty invitations and requests had been addressed to the government by hon. members on this side of the house to have the unemployment policy brought down. In the second place it substituted the authority of the executive for the authority of parliament. It went further; it not only divested parliament of control with regard to questions of expenditure and taxation, but it gave to the executive council of the Dominion of Canada the unprecedented right to alter by order in council the laws on the statute books of this country. It deprived parliament of the control of public moneys that were to be spent between the termination of last session and the commencement of this session.

Now I should like to recall to my hon. friend the Minister of Justice the words of a gentleman whom I am sure he will acknowledge to be an expert upon constitutional law. I refer to the president of the Canadian Bar Association who, in October of 1931, in referring to the act passed last year, used these words:

A delegation by parliament of its powers in the widest possible terms to the executive authority for the period during which the act is to remain in force.

And again:

In these trying times great indeed, are the responsibilities of statesmanship but great also is, at all times, the responsibility of the legal profession to guard with the utmost care, giving of course due and unprejudiced consideration to all pertinent circumstances against any measure which might tend to unduly abridge the actual participation of the citizens at large in the making of the laws under which they shall live and their actual and timely control over the expenditures of their common funds.

This was a much more vicious, much more iniquitous and much more pernicious form of legislation than was ever contained in any war measure passed in the Dominion of Canada. I could quote figures if I chose, Mr. Speaker, with regard to what have been the results of this unemployment policy even as it has affected their pet, protected manufacturing industries. What has happened? Between the day of the election in 1930 and the month of February 1932 we find a decrease of 203,000 in the number of employees in the manufacturing industries of Canada. That is the effect of the Canada First policy, the self-centred, selfish and outworn creed of economic nationalism. That is all it is. They have reduced the number of employees by 203,000 in the manufacturing industries of this country. And what has happened so far as trade is concerned? In 1929 the figure was $2,600,000,000; in 1930, $2,300,000,000, and in 1931, $1,710,000,000. That is what tariffs have done for Canadian trade: they have stifled, restricted and prohibited trade, and they have ruined agriculture from shore to shore.

The second branch with which I was going to deal is the ineptitude of the administration to produce a real, comprehensive policy. Let me read the language of the resolution:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

We remember the comedy that was perpetrated on this house the other day. The act expired on the first day of March of this year, 1932, and I understand that on the second day of March the government passed an order in council sending $500,000 to one of the provinces for unemployment relief, notwithstanding that the authority given under the act had lapsed, and that no moral or legal authority existed for the sending of that money.

Mr. GORDON: May I ask the hon. gentleman a question?

Mr. MACKENZIE (Vancouver): When I have finished.

Mr. GORDON: I want to ask the hon. gentleman whether that $500,000—

Some hon. MEMBERS: Sit down.

Mr. MACKENZIE (Vancouver): I wish to say, Mr. Speaker—

An hon. MEMBER: Poor sport.

Some hon. MEMBERS: Order.

An hon. MEMBER: You aren't an Irishman.

Mr. MACKENZIE (Vancouver): Mr. Speaker, you might remove that turbulent political accident from South Essex.

Mr. GOTT: You haven't said anything worth while yet.

Mr. SPEAKER: The hon. member for Vancouver Centre has the floor regularly and he should not be interrupted in this manner. No member, when speaking, is obliged to permit another member to ask him questions; they may be asked only with his consent. The hon. member is quite in order in continuing his speech.

Mr. MACKENZIE (Vancouver): I wish to refer—

An hon. MEMBER: Give him enough rope.

Mr. MACKENZIE (Vancouver): —to a request made in this house yesterday for information in regard to one of these orders in council passed under the legislation of 1931. We asked a question of my genial Irish friend, the Minister of Railways (Mr. Manion), in regard to ties of the Canadian National Railways. That request was refused by the minister. I have here copy of order in council No. 2719, which gives authority to the Canadian National Railways, on recommendation of the minister, to purchase 2,000,000 railway ties at a price not exceeding 65 cents per tie, such purchase to be completed on or before March 1, 1932. This is under the authority of the Unemployment Relief Act of 1931, and it involves an expenditure of the money of the Canadian people to the extent of $1,300,000. Yet my hon. friend said yesterday, "It is not the custom of the Canadian National Railways to divulge these precious secrets." That statement might be valid if tenders had been called for, if there were competitive bids; but here the amount is fixed by the minister himself. The price is fixed by the minister himself.

Mr. MANION: Mr. Speaker—

Mr. MACKENZIE (Vancouver): It is here in the terms of the order in council.

Mr. MANION: The price is not fixed.

Mr. MACKENZIE (Vancouver): It is fixed in the order in council.

Mr. MANION: A maximum price—

[Mr. Gordon.]

Some hon. MEMBERS: Sit down.

Mr. MANION: A maximum price was fixed—

Some hon. MEMBERS: Sit down.

Mr. MANION: No, I won't sit down. A maximum price is fixed. The hon. gentleman is making a statement which is not correct and I do not intend to permit him to do so; that is all. I wish, Mr. Speaker, on a point of order to correct the hon. gentleman.

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Sit down.

Mr. MANION: Mr. Speaker—

Some hon. MEMBERS: Sit down.

Mr. SPEAKER: Is the Minister of Railways rising to a point of order?

Mr. MANION: Yes, Mr. Speaker. I say that the hon. gentleman is making a statement which is not correct. We did not fix the price at all. He says that we did, but we did not. I wish to raise this point of order anyway. The hon. member is discussing a matter which was disposed of yesterday by the parliament of Canada.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancouver): The Minister of Railways may, in his own mind, have disposed of the incident but we on this side have not done so by any means, and we shall not have done so for many a long day.

Mr. MANION: I hope my hon. friend and his friends will come through with the goods.

Mr. MACKENZIE (Vancouver): This act, Mr. Speaker, was passed last year against our protest, and under its authority an order in council was passed on the recommendation of the Minister of Railways. Under that order in council there was an expenditure of $1,300,000 which was not authorized by parliament. We knew nothing about it; it was a leap in the dark; it was done without our knowledge and consent. And when an hon. member of this house asks for information in regard to these ties he is told that the matter is a secret, it is mysterious, it appertains to the Canadian National Railways! In my judgment, the refusal to give the members of this house complete and final information with respect to that order in council is the greatest insult ever offered the Canadian parliament. We have been accused, sir, on this side of the house of not putting forward any constructive suggestions with respect to unemployment relief.

An hon. MEMBER: Hear, hear.

Mr. MACKENZIE (Vancouver): I hear some hon. gentlemen saying "hear, hear"; probably they have not said a single word, constructive or otherwise, since this debate began. Let me recall to hon. gentleman opposite some of the proposals that we have advanced. I cannot analyze them now for I have not the time, but I will mention them. In the first place, we advocated a national unemployment relief commission. Secondly, we advocated proper procedure by supply bill. Thirdly, we advocated a proper system of auditing. In the fourth place, we have advocated a comprehensive system of unemployment insurance, and, fifthly, we have asked that the coal industry of Nova Scotia be dealt with by parliament.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancouver): I see the hon. gentleman over there in his customary pain. We have asked for the construction of a Peace River outlet and we have asked also for a shortening of the hours of labour in Canada. Again, we have asked for the instituting of a national research council for social and economic purposes, and we have asked for a writing-down of interest on bonds. We have asked for an adjustment of the wages of money in keeping with commodity prices and the wages of work. We have asked for a comprehensive housing scheme and, finally, we have asked for a Canadian National MacMillan committee to investigate banking, currency and credit in this country. Yet, in the face of all this, hon. gentlemen opposite say that we have not advanced a single constructive suggestion from this side of the house.

Let me mention something else. This year the present administration has taken from the public service of Canada the sum of $8,300,000. I wish to inform the Minister of Justice (Mr. Guthrie) and the Minister of Finance (Mr. Rhodes) that there will mature in 1933, 1935 and 1937 a total of $497,000,000 of bonds which are tax-free in Canada to-day. At the ordinary rate of interest of five per cent you could secure therefrom a contribution to the Canadian treasury of $25,000,000 or, at five and a half per cent, $27,500,000. But, it is said, it is a question of contract. Well, when it comes to the civil service, no contracts stand in the way, and I suggest to the administration that they might well consider these people who have wealth and who are not paying a cent of taxation thereon to the treasury by way of direct obligation. Confiscate it, if you like, but gather into the treasury this $27,500,000 and you will go far towards relieving the public service and meeting the present unemployment problem in Canada.

I have no time to deal with the orders in council in detail. I wish to read to the house a short quotation from that famous book Dictatorship on Trial:

> Thus it is only the countries in which the parliamentary system has taken root for centuries and which are also the home of the middle classes that the freedom of the individual and of state life—the most precious treasure of any community—maintains its unbroken strength. Nevertheless even in these countries there reign distress and want which know no law and are at the same time the root of the harshest laws. And it is in the atmosphere of distress and want that the trial of dictatorship comes into being, runs its course and hastens on towards its fateful consummation.

I also wish to quote from the London Times of February 16, 1929, the following passage:

> The true precedents—

It is speaking with reference to a clause enabling a minister by order to modify the provisions of a statute.

> —it has been pointed out, must be sought further back than 1888. They are the pretensions to the dispensing powers under the Stuarts and the statute which declared that anything enacted by King Henry VIII or by order in council should have the force of law.

And now a quotation from the Prime Minister's favourite book, the New Despotism:

> The new despotism which is not yet defeated gives parliament an anaesthetic. It is to subordinate parliament, to evade the courts, and to render the will or the caprice of the executive unfettered and supreme.

I wish to remind this house, Mr. Speaker, of the accepted and revered political philosophy of Locke under four main headings.

First, "The source of all political power is the right of the people themselves."

The second is this—and it will stir the blood of any real reformer, of any Liberal.

An hon. MEMBER: Oh, oh!

Mr. MACKENZIE: It only stirs my hon. friend to ignorant and raucous laughter. The second is this, "The only divine right in government is the right of the people."

Third, "All governments derive their power from the people."

And fourth, and this is the most comprehensive and most significant of all, "Parliament is the people."

May I quote especially for the benefit of my hon. friend from Hants-Kings (Mr. Ilsley), who made a brilliant speech in this debate the other day, the words of Joseph Howe, which have a ringing message for us to-day:

> This house of parliament has a due reverence for British institutions and a desire to preserve to themselves and their children the advan-

tages of the constitution under which their brethren on the other side of the Atlantic have enjoyed so much prosperity and happiness. But to-day they cannot but feel that those they represent participate but slightly in these blessings. They know the spirit of that constitution, the genius of these institutions, is complete responsibility to the people by whose resources and for whose benefit they are maintained.

And now the words of Sir James Mackintosh:

It is a fatal error in the rulers of a country to despise the people: its safety, honour and strength are best preserved by consulting their wishes and feelings.

Peering down the corridors of history I see the meeting in 1100, where the Charter of Liberties, a forerunner of Magna Charta, was wrested from the ruler. It was a promise to put an end to abuses of the preceding reign, and to restore the rights of the people. In the second place, I see that historic meeting at Runnymede, that island in the Thames, on the 15th day of June, 1215, where respect for the rights of the people and for the parliament of the people may be said to have been born, and where the barons wrung from a tyrannic ruler pledges for the people. There the rights of the people were once again asserted. In the third place, I see the assembling of the model parliament in 1295, where for the first time all three estates, clergy, nobles and commons, gathered together and formulated many constitutional privileges. They limited the power of the king. They extended the power of the people by laws which gave them control of taxation and expenditure in a specific way.

Then we come to the first of the Tudors, in the closing years of the fifteenth century, when the affairs of the nation were becoming monopolized by the king's own council. We had the star chamber instituted, and it is rather sinister and significant to explain and underline the principles involved in that star chamber. Listen to these words. The star chamber was formed "as a swift effective means of quelling expected disorder." How significant! How sinister! Peace, order and good government! Peace when there is no peace, order when disorder is prevalent, and good government when we have the worst government in our history.

Still peering down the corridors of history, I see the civil war in the early seventeenth century. Then an attempt was made by the king to rule without parliament. Parliament was not allowed to assemble for seven years, and later for eleven years. This resulted in a civil war. I see the struggle around the Petition of Right. I see the emergence of men like Pym, Hampden and Cromwell—Cromwell, not a dictator, but the great Protector. The trouble with the Prime Minister of this country is that he has all the rapacity of Oliver and only the capacity of Richard.

At the end of the seventeenth century I listen to Lord Sunderland, who established the principle which is supposed to be followed to-day in all free countries, that the ministers of the cabinet are responsible, not to the ruler, but to parliament, and also the principle that national funds can be spent by parliament only for specific designated purposes.

I see the elder Pitt in the eighteenth century being dismissed by his king in 1757, and recalled by popular demand. I see a picture of John Wilkes expelled from the House of Commons because he had the temerity, for the first time in history, to criticize the speech from the throne. He was restored by popular demand after the house had expelled him. No wonder Burke called this:

A comedy at the expense of the constitution. It was the alarm bell of liberty.

In the nineteenth century unemployment caused Sir Robert Peel to surround the House of Commons with special constables called "bobbies," and, Mr. Speaker, the Catiline guards who surrounded these buildings only a few days ago when the unemployed paraded to parliament hill will be known in history as "Dickies."

And now my tale is told. I will summarize it all in the ringing words of that great Briton, Rudyard Kipling, who said:

All we have of freedom,
All we use or know,
This our fathers bought for us,
Long and long ago.

I turn to my friends on this side of the house who are imbued with ideas of freedom and give them three quotations from that great English poet, Shakespeare:

Beware of entrance to a quarrel, but being in,
Bearn't that the opposed may beware of thee.

And in words that will stir the blood of all lovers of freedom I present this quotation to the Canadian House of Commons:

To thine own self be true
And it must follow as the night the day,
Thou cans't not then be false to any man.

Even the ranks of Toryism, Mr. Speaker, can scarce forbear to cheer. And finally I sum it all up in the words from that great play Macbeth, in urging my friends on these benches to resist with might and main this encroachment by the government on those

imperishable principles of liberty and freedom for which our forefathers fought. My final counsel is this:

> Lay on, Macduff
> And damn'd be him that first cries 'Hold enough!'

Mr. FINLAY MacDONALD (Cape Breton South): Before beginning what I have to say, Mr. Speaker, perhaps it is well that on behalf of many hon. members on this side of the house I should offer my thanks to the last speaker (Mr Mackenzie) for the very many kind references he has made to the Irish race.

I think that a stranger entering this chamber for the first time and hearing the hon. gentleman who has just taken his seat, must have come to two conclusions: First, that Canada was the only country in the world that was suffering from the depression; and secondly, that this government was responsible for it. I venture to say, Mr. Speaker, that in the whole annals of our political history there has never been heard in this chamber more extravagant statements than were made by the hon. gentleman who has just spoken in this debate (Mr. Mackenzie). Not only were his statements extravagant, but every statement that he made might be characterized as falling in one of two classes: Either the statement had no reference at all to the question under discussion, or if it was a legitimate criticism it was directed to the wrong quarter.

In the first place the hon. gentleman referred to the visit of Sir Wilfrid Laurier in 1896 to England, when he extended to Great Britain this much boasted British preference. Surely there is not very much to be said in favour of that. Anyone who wants the inside story of the matter has simply to read the speech which the hon. member for Labelle (Mr. Bourassa) delivered this session, and he will find how much credit is due to Sir Wilfrid Laurier or the Liberal party for that English preference.

In the next place the hon. member compared that visit with that of our leader (Mr. Bennett) about two years ago. Not very long since we had a visit from a very distinguished English statesman, the Right Hon. Winston Churchill, and we all had the pleasure of listening to his admirable address to members of the house. Those who heard him must have taken away one very significant fact, that is, his reference, first, to the Imperial conference to be held here in July, and, second, to the great change that has taken place in public opinion in England during the last two years. I ask you, Mr. Speaker, what man in all the empire is more responsible for that than the present leader of the Conservative party in Canada?

Before I proceed to a general discussion of the subject before the house, there are just one or two more references in the hon. member's speech to which I want to direct attention. The first is his reference to unemployment insurance. Surely it is flying in the face of common sense when any member of the Liberal party dares to challenge this government for its attitude in regard to that. Why was unemployment insurance not enacted by the late government? Why was the ex-Minister of Labour (Mr. Heenan) repudiated in the house by his leader (Mr. Mackenzie King) on that very question? Such extravagant statements as have been made on the subject carry their own refutation.

The hon. member referred also to the question of coal, and to what the Liberal party had done for the coal industry, particularly that of Nova Scotia. The coal duties were originally sixty cents a ton. They were reduced by a Liberal government to fifty cents a ton, and during all the years that the Liberals were in power, although delegations repeatedly appeared before them, there was never an increase in the duty on bituminous coal, until this government came in and the present Prime Minister (Mr. Bennett) as Minister of Finance introduced in his tariff resolutions an increased duty of seventy-five cents a ton. No later than last Saturday, a delegation from the coal miners of Nova Scotia met the government and carried back with them the most cheering news that has ever come to the miners of that province. It is simply playing with common sense, with historic facts, for an hon. member to make the statements he did in the house and expect to get away with them. The hon. gentleman's speech was very interesting in many respects, particularly in regard to the quotations from other speakers which he gave. I can only express my regret that he did not confine his attention more to quotations and less to imagination.

Let me make one final reference to a statement made by the hon. member—and it is one which has been made by most of the speakers on the Liberal side—in regard to the attitude of our leader as a dictator. I do not think the Canadian people are suffering from any dictatorship on the part of our present leader. With all deference and in all kindness I would suggest to the leaders of the Liberal party that they are taking the wrong course in this matter, and that the way out of the valley does not lie along that path. The people of Canada, with their usual good sense, are

perfectly satisfied with the present attitude of the government. That is oftentimes reflected in editorial utterances of many Liberal newspapers. In the Ottawa Citizen of Wednesday, March 16, there is a column and a half directed to this matter, and as it reflects pretty accurately the intelligence and well informed opinion of the country, unprejudiced by bias, I am going to read just one or two paragraphs. The editorial states:

> Before subscribing to the opposition's criticism of Mr. Bennett as dictator, even though it is based on traditional parliamentary Liberalism, there is another side to be considered. Canada has been plunged into a grave condition of economic stress. It is due to artificial causes, but it is accepted by both sides in parliament as though it were unavoidable, like an earthquake or some other calamity of nature.
>
> Mr. Bennett has shouldered the responsibility of leading the Canadian people through this period of financial collapse. He is more intent upon salvaging the ship of state than upon observing the fine points of parliamentary method. It is safe to say that the majority of Canadian people are more concerned with Mr. Bennett's efforts to find a way out for Canada, than with the Liberal party's protests about the rights of parliament as the controlling authority of government.
>
> The majority of people may be woefully lacking in appreciation of parliament upon which political democracy is founded. A decline in popular respect may tend to continue, however, unless one side or the other in the House of Commons can demonstrate that the existing machinery of political democracy is capable of meeting the present economic situation, where industrious people are forced to suffer privation in this land of plenty.

One more quotation from it and I have done:

> In 1930 the Canadian people gave Mr. Bennett the mandate to try to lift the load of depression from this country. It has been disclosed that the tariff alone is insufficient. It will doubtless be made equally clear that drastic economy is no remedy for lack of purchasing power in a land of unlimited capacity to produce.
>
> There is still sufficient confidence, however, in the prime minister to back him in further steps, even though he may appear to be in conflict with parliamentary tradition. Unemployed breadwinners, harassed business men, observers of the general relationship of parliament to international money power, are looking for leadership. Without worrying too much about the opposition's constitutional criticism, they may well look to Premier Bennett to go on trying to carry out the mandate given to him to abolish the evil condition of unemployment in Canada.

So much for the remarks of the hon. gentleman who has preceded me. Up until now I had no intention of taking part in the debate. I looked upon it as a sort of academic discussion, with no practical value, and an effort on the part of the opposition to delay the proceedings of this house. Hon. members opposite may think that is an unjust statement, but I do not think it is. I am at a loss to understand their attitude or purpose in prolonging this debate over a period of ten days. Until yesterday I looked upon their action as more or less harmless, but I received two telegrams which showed the situation in a very different light. As these telegrams are my only excuse for taking part in the debate at all I intend to read them.

The first is from the treasurer of the city of Sydney, and is addressed to me. It is as follows:

> Interview Auditor General and ascertain when he intends releasing our direct relief; overdue payment eight thousand dollars and working relief also overdue aggregating nineteen thousand dollars. Moneys advanced for these accounts are now required for other purposes and immediate action is necessary.
>
> D. J. O'Connell,
> City Treasurer.

On receipt of that telegram I made inquiries to find out why this money had not been released and was informed by the Department of Finance that the money was there, but could not be released until the bill was passed. What is the position? The city of Sydney is in the same position as many other municipalities, towns and cities throughout Canada, and particularly in the province of Nova Scotia. They have borrowed moneys from the banks to carry on their public works and relief contributions. The time has come when money is needed for other purposes, and those municipalities approach the government for help. The government however is opposed by this Liberal opposition which is holding up payment of the money, and causing the suffering of our people.

I received another telegram from the chairman of the Relief Association in Sydney, which is as follows:

> Your message O'Connell moneys due from federal government are for relief disbursements December and January, and mayor states unless forwarded at once cannot carry on further. Provincial authorities have paid their proportion.

That brings the matter to a definite issue, and shows exactly the meaning of the opposition to this measure. It means that all these protestations of sympathy for the poor and unemployed are simply so much wasted breath. By their action they are delaying the expenditure of money that should be going to those unemployed. That is the exact result of their opposition to this legislation.

The issue before us is very simple. It is this: Shall we for a period of two months extend the powers given to the government

last year? Why should we not do that? Have the government misused those powers? Has any money been expended by them for purposes other than those contemplated when they were given the power? I have heard no charge of that kind.

Mr. MACKENZIE KING: What about the railway ties?

Mr. MacDONALD (Cape Breton): I have heard no suggestion that there were wrongful disbursements with regard to railway ties.

Mr. MACKENZIE KING: I make it now. Surely my hon. friend must have heard what was said with respect to that expenditure. Parliament never intended, when it passed the Unemployment Relief Act, to give the government the right to buy ties for the Canadian National Railways without calling for tenders. Why was the vote taken?—in an effort to get the information.

Mr. MacDONALD (Cape Breton): My right hon. friend must realize he is directing his criticism in the wrong direction altogether.

Mr. QUINN: Let him make a charge.

Mr. MacDONALD (Cape Breton): Surely this government was not supposed to oversee the expenditure of every dollar by the Canadian National Railways. All those expenditures are attended to by the management of the railways, and we have been told time and time again that they will not put up with interference from politicians in this house. If there has been any misappropriation of funds in regard to railway ties, surely the proper time for such a discussion is when a regular charge has been made by some hon. member in this house, and an investigation called. My right hon. friend could get the information he desired by an examination of railway accounts, because every dollar spent by this government for the operation of the Canadian National railways will have due consideration by hon. members. The railways will have to justify their expenditures.

I should like to make a few remarks concerning expenditures for civic works in municipalities and towns. In that connection the towns subscribed 50 per cent, this government subscribed 25 per cent and the local government another 25 per cent. Before any work was undertaken the town outlined a program which was first submitted to the local government, and then to this government for approval. From the very first the intention was that the city or town should have the work done, pay for it and submit vouchers duly certified and audited by the provincial government. In turn the provincial government certified the audit and forwarded it to this government for investigation. The federal government could not possibly oversee all the expenditures made throughout the country; there was no intention and no promise to do so. It did say to the various towns and municipalities, "We will pay 25 per cent of the cost of any civic public works you may undertake, on condition that the provincial government will pay a like amount, and that your program may be found satisfactory to us."

From a fairly extensive knowledge of the operation of that arrangement, may I say that it was followed religiously. The city of Sydney, to which I referred a few moments ago, borrowed the money and spent it on public works. Those works have been passed upon and approved by the local legislature and this government. To-day however that city cannot carry on its work because this government is not in a position to pay its share of 25 per cent, and cannot because this bill is opposed by the Liberal party.

Mr. MACKENZIE KING: My hon. friend refers to opposition to this "bill." May I remind him that no bill has been introduced; we are discussing a resolution.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: Yes, this is a resolution to amend something which at the present time does not exist. No bill has been or is now before the house.

Mr. MacDONALD (Cape Breton): That objection, Mr. Speaker, is hardly worthy of the right hon. leader of the opposition. Everybody knows exactly what this discussion is about; it is a resolution preceding the introduction of a bill—

Mr. MACKENZIE KING: There is no bill.

Mr. MacDONALD (Cape Breton): —and we are discussing it just as if we were discussing the second reading of a bill.

An hon. MEMBER: Just a quibble.

Mr. SPEAKER: Order.

Mr. BEAUBIEN: Mr. Speaker, may I ask the hon. gentleman, if conditions in Sydney are so serious, why could not the government in half an hour pass a supply bill to alleviate those conditions.

Mr. MacDONALD (Cape Breton): The government simply prefer to take this course, and having taken it they are going to see it through. There is no difference in effect between this resolution and a supply bill.

Mr. BEAUBIEN: Yes; but the government brought down supplementary estimates two or three days ago. Why could not they have included the necessary appropriation for that purpose?

Mr. MacDONALD (Cape Breton): Those supplementary estimates have nothing to do with this resolution. The government is simply asking parliament for an extension of two months in order to carry out the commitments they have already made.

Mr. BEAUBIEN: The government know the extent of those commitments now, don't they?

Some hon. MEMBERS: Order.

Mr. MacDONALD (Cape Breton): They may or may not. But what difference does it make? That is the point that all the opposition speakers make, as if there was a great difference between—

Mr. MACKENZIE KING: Let me put this question to my hon. friend: Does he say that the bill to be introduced goes only to the length of asking that the government shall have authority to complete the commitments already made?

Mr. MacDONALD (Cape Breton): Not necessarily.

Mr. MACKENZIE KING: That is just what the hon. gentleman has said.

Mr. MacDONALD (Cape Breton): That is the intention and justification for this resolution.

Mr. MACKENZIE KING: The hon. gentleman will find that under the act passed last session the government have power to make and carry out commitments made during the period for which it was in force. This measure is to give the government authority to do something entirely new; it is not confined to the purpose my hon. friend speaks of.

Mr. MacDONALD (Cape Breton): With great deference to my right hon. friend, as I view the resolution it is nothing more nor less than for the purpose of enabling the government to exercise for another two months the power given them one year ago, which power expired on the first day of this month.

Mr. MACKENZIE KING: That is another thing.

Mr. MacDONALD (Cape Breton): Under that power commitments were made, and the government cannot meet those commitments simply because the opposition led by the right hon. gentleman is opposing the passing of this resolution. There is no avoiding that conclusion. Hon. gentlemen opposite may squirm under the imputation—

Mr. MACKENZIE KING: May I say this to my hon. friend: If the Prime Minister will agree—

Mr. SPEAKER: Order. The hon. gentleman who has the floor may permit a question and indicate his permission by taking his seat, but he has not indicated any such permission.

Mr. MACKENZIE KING: Quite right, Mr. Speaker. But I understood my hon. friend had a certain conception of the measure to be introduced and I should not like to disagree with him unless I thought he was under a misapprehension. May I tell him that if the Prime Minister is prepared to introduce a bill based on the hon. member's interpretation given a moment ago, that is, a bill containing power only to meet the commitments that have already been made, we on this side will stop our opposition at once.

Mr. MacDONALD (Cape Breton): I am afraid, Mr. Speaker, that we do not see eye to eye.

Mr. MACKENZIE KING: I am afraid not.

Mr. CASGRAIN: Let us be frank about it then.

Mr. MacDONALD (Cape Breton): I have a very great admiration for my right hon. friend's talents, and particularly for his ability to get around a question such as this. This resolution may go a little further than the exact commitments now made by the government, because there may be a dozen different claims before the provincial governments and before this government that in good faith should be met, but which cannot properly be called commitments. I come back again to the point I want to make, and it is my only excuse for taking up the time of the house. I submit that the responsibility is on the Liberal party in this house if the relief committee of the city of Sydney are deprived of any opportunity to carry on relief services in this sense. We all listen with a great deal of pleasure to the high-sounding phrases used by hon. gentlemen of the Liberal party when they tell us how sympathetic they are towards the workers, but when it comes to the practical question of providing unemployment relief, and they think there is any political advantage to be gained by factious opposition,

then their sympathy for the workers is subordinated to their desire to make political capital out of the present depression.

With great deference to, and with the highest regard for, hon. gentlemen opposite, I would in all sincerity point out to them that in my opinion, at least, they are pursuing not only a wrong course but a very dangerous course in opposing this resolution. Does anybody in the exercise of his common sense fear that the constitution is being subverted or that the liberties of the people will be taken away simply because the government is to be given two months extra time to carry out the provisions of the Unemployment and Farm Relief Act? Nobody really entertains such fears. Every person of common intelligence in this house and out of it knows that the government has to come back and justify to parliament everything it may do under this legislation. May I assure my hon. friends opposite that the electorate can be trusted properly to weigh the actions both of the government and of the opposition. Surely the great Liberal party is not so politically bankrupt that it bases its hopes for success at the next election on the depression that the country is now going through? Hon. members opposite know exactly what has been done and what methods have been followed by the government in dealing with unemployment relief, but so far not one member of His Majesty's loyal opposition or of the two groups in the far corner has come forward with a concrete suggestion to remedy the present situation.

Mr. CASGRAIN: What about the suggestions made by the member for Vancouver Centre (Mr. Mackenzie)?

Mr. MacDONALD (Cape Breton): We have received from the other side only vague theories, not one concrete suggestion. Yet in the face of this poverty of constructive ideas we are told that the present government have no policy! Surely the government's course so far with respect to the relief of unemployment may properly be called a policy. What is offered as an alternative? So far we have had only one suggestion from the right hon. leader of the opposition and some of his followers—the appointment of a commission. Any person who has any practical knowledge of the administration of unemployment relief knows that it would be absolutely impossible for such a commission properly to carry out the purposes of the Unemployment and Farm Relief Act, for its proper administration necessitates the cooperation of three independent bodies—this government, the provincial governments and the municipalities. Could any commission appointed by this government function for all three authorities? True, we have heard about the reckless expenditures of relief money in British Columbia, and there may be something wrong there, but I do not know anything about it. I do know this, that there have been no wrongful expenditures of money in Nova Scotia, and I know further that this money has not been administered in a partisan way in that province. Instructions were given the foreman that only one test was to be applied with regard to applicants for work; that test was the need of the applicant. He was not to be asked what was his religion or his politics; the only question was his need for relief, and when that was established he received that relief. Throughout that province I have not heard one word of criticism as to the administration being unfair or partisan, and any criticism that may come will have to be directed against those immediately concerned with the payment of the money.

I have just a further word to say in conclusion. The only ground for attack, so far as I can see, is the possible ground that we are departing from strict parliamentary custom. Let us admit that for a moment. We all admit that parliament has full control over the expenditures of money and that the government may not expend any money other than that voted by parliament, but even that has its limitations. The government can and does spend thousands and millions of dollars without the authority of parliament when the necessities of the case call for it, and we must remember this: The constitution is made for the people, and not the people for constitution. Occasions may arise when, in the interests of the people and in the interests of peace, order and good government it is absolutely necessary to set aside some provisions of the constitution. That may have been done in this instance, but every act committed will be amply justified when the proper time comes.

Mr. E. C. ST-PERE (Hochelaga) (Translation): Mr. Speaker, in a period of crisis the government gathers all the resources and active forces which the nation has at its disposal. Realizing that its part is not purely one of dissenting, the opposition unites with the government in its endeavours to relieve the social and economic depression, and all admit that the Liberal party did not shrink in fulfilling this duty.

This administration comes back with the request that we should renew the blank signature which a majority of the house granted

to them at the last session. The phraseology of the resolution is very obscure, we however, realize that its adoption would be unsafe to our parliamentary system. To approve of it under the plea of an emergency would be to establish a dangerous precedent, for our constituents would have cause to consider us unworthy of their confidence. It goes without saying that this resolution, for the least, makes free with our constitutional rights. Some of the speakers who preceded me in this debate have shown this very clearly and have pointed out all the dangers with which it is fraught.

Canadians take a pride in their history and have a high respect for the constitution which governs them. Its political evolution was slow but those who sacrificed all their talents and even their life to conquer our constitutional liberties, have inculcated in all an unshakable love for these rights so eagerly claimed and honourably obtained from England.

In the Quebec Act, in 1774, it was deemed useless to establish an assembly notwithstanding the earnest pleadings which Fox made in England in favour of a representative assembly.

The Constitutional Act of 1791 divided the country in Upper and Lower Canada. Pitt, the eminent British statesman, though he had reestablished peace, and John Graves Simcoe contended that he had given this country a constitution similar to that of England. Then came the period under which Canada really attained its aim, that is, the union of the two Canadas. Previous to this period, the worthy members who were the true representatives of the Canadian nation, such as William Lyon Mackenzie, Robert Fleming Gourley, Doctor Rolph, Peter Perry, Ketchum, Bidwell, Robert Baldwin and others, in Ontario, as well as Papineau, Nelson, Cuthbert, Lafontaine, Morin, Aylwin and Viger in Quebec, had struggled hard and united their efforts to attain this end. The situation which existed previous to this period, recurs to-day, and if the Liberal party, faced with the resolution which it is asked to adopt, takes an attitude which displeases our friends opposite, it is that the Liberal party to-day, in keeping faith with the high ideals of the Liberal party of those days, wishes to assert that it will always remain the ardent champion of the people's constitutional liberties.

To ignore the past under the plea of an extraordinary emergency would be to take a step backwards and proclaim ourselves partisans of an anti-national modernism. I consider that unemployment could be somewhat relieved without exacting that parliament should sacrifice its rights, the surrender of which would be judged by the people severely when the great day of atonement came.

Let us not forget, sir, that we have to face a world-wide crisis and let us endeavour to establish some reforms. The hon. member who preceded me stated that he had not yet heard on the Liberal side any criticism which might bear results; I wish to make one suggestion of a constructive order, by pointing out what the state and industries, at large, might do to improve this chronic unemployment problem from which we suffer.

Anxious to find an antidote against unemployment, the governments were finally affected themselves by this hysterical fit of unemployment relief. We must acknowledge it was to obey a generous impulse that direct assistance, etc., to the unemployed was given, however, by that means only temporary relief was afforded and to a very small number of them. Let us admit, moreover, that these repeated assaults on the treasury would result in further disturbing the equilibrium which should exist between production and distribution, and would in the near future contribute to increase the cost of production and the prices which the public have to pay. Hoarding up, failures, unemployment or deficits are not, properly speaking, the causes of the present crisis, but rather the symptoms of an economic disease resulting from a wrong policy followed by all governments and especially by Conservatives. To solely treat the symptoms would be like effecting a transfusion of blood in a seat of chronic infection. The way to attain a state of relative prosperity is to restore the purchasing power of the people destroyed by unsound methods applied to public administration.

The famous standard of living of the people is not the primary cause of this depression; it is rather to the wrong standard of living of those who have to do with high finance, and also to the enforcement of a poor financial policy that must be attributed, for the greater part, the present crisis. Justice demands that the people be protected against these parasites of the state, who have placed fictitious values on their stocks, dividends or new issue of preferred shares. The tools of the state, such as the large corporations possessing no other rights but those granted by the authorities. Their powers should be restricted from the very start, their activities should be watched and constantly controlled. The fact is admitted that they are, to-day, all powerful, and should their influence somewhat increase the

governments which brought them into existence would be at their mercy.

I believe in the stabilization of our currency as the foundation of our economic security Let us admit that no measure of this kind has ever been resorted to for our workers who contribute, no less than money does to the moral and material welfare of society.

Mr. Gladstone, the great Liberal leader of England, once told the workmen of a certain locality in the county of Chester, that the labour problem could not be solved like a mathematical problem, but that we must appeal to Christian feelings. Our workmen, let us thank Providence, share the views of the great English statesman and it is always to the great social law of love for one's neighbour that they first appeal in their just claims.

There are, moreover, human economic means; if not of solving at least of improving the situation. Millions of unemployed workers are dependent not on theories or unworkable measures, but practical solutions. They have listened too long to these tiresome repetitions of theories, to these doleful distributors and will only be satisfied with regular work and equitable remuneration. All those who had work or are working to-day claim, rightly and justly, that they should be given continuous employment through a steadier functioning of industry. Large industrial and financial interests, during prosperous times, see that prices are maintained and that sufficient reserves are set aside to meet dividends and salaries in connection with the administration during periods of crises; but where is to be found in their reports, one item providing for the wages or part of the wages of the workman who necessarily must join the ranks of the unemployed?

All this points to a real paradox: preventive measures are adopted against diseases, fire, hail, etc., but nothing of the kind exists againsts the ills of which millions of people suffer, as at present, owing to unemployment. When the crisis becomes critical all endeavour to follow the line of least resistance by resorting to unemployment relief. If this system be established—I appeal to the members of this house, the great majority of whom are endowed with practical sense—as a permanent institution, the poor of to-day, will, tomorrow, know the horrors of pauperism. The workmen, although forced to allow themselves to be doped by government assistance, protest and appeal to the authorities to apply the only solution possible: The necessary means to destroy unemployment at its outset.

We may provide for millions of days of work, but we shall not have found the antidote which is regularity of work in industries. This system, we must acknowledge, would perhaps not be, for the present, a complete cure, but it would provide a remedy which would relieve a great number of unemployed. But the idealists, together with certain people whose confidence reposes simply on these alibis, will perhaps reply by pointing out, as an excuse, the cycle of affairs, the feelings of the masses aroused, the lack of economy on the part of workers, etc., all such blinkers destined to cut off the light which would procure more genuine happiness in numerous homes which are today in want. It is regretful to note that this government has not, since the famous session of 1930, taken any steps to encourage industries to adopt such an attitude towards the unemployed.

The regularity of work, resulting from diversified and well managed production has already given convincing results to directors of companies who have taken the interest of their employees by putting into practice this motto, so truly human, of a manufacturer in France: work to earn and earn to give. Let me but mention in the United States the names of the following companies who have succeeded in giving 35 to 42 weeks of regular salary to their employees: the Packard Motor Co., the Proctor and Gamble Co., the Dennison Manufacturing Co., the Beech Nut Packing Co., the General Electric Co., and Hills Brothers and Co. These are companies whose directors are far from being classified among idealists, and whose aim is not only to accumulate dividends but to be socially and economically useful to their country.

The bare fact, is that there are many unemployed, and industry, as a whole, has not taken the necessary measures to prevent this crisis. Must we, therefore, conclude that the government should take no part in assisting the unemployed in the future. Certainly not. It is their duty to devise the best means possible to help those that are in distress. However a distinction must be made as to the procedure to follow to obtain the sanction of parliament. Let the government, as it was so lucidly stated by my hon. leader (Mr. Mackenzie King) and the former Minister of Justice (Mr. Lapointe), introduce a bill that the house may discuss before enacting, and the opposition will again resume to its constructive efforts in the house.

Reasons of state are put forward—Oh! those famous reasons of state to which the somewhat autocratic king of France had re-

course. These reasons invoked to enact legislation, which introduces at the same time selfishness and autocracy, cannot possibly find supporters among us who respect the rights and powers granted by the mother of parliaments.

There is something which I wish to point out to the house: the ever ready plea of governments, too little regardful of the humble people and that of the large selfish industrial interests always ready to apologize to workmen by saying: if you suffer, to-day from depression, you are alone to blame for this economic evil, you were too lavish in prosperous times.

I represent, sir, a large labour section which, previous to this crisis, included a great number of workers drawing salaries, I shall not say always fair, however, sufficient to permit them to earn a living and allow them a margin to give thmselves some little comfort. Would one dare, to-day, tell these workmen: if you suffer, you are alone to blame. Oh! if you had not bought radios, electric washing machines and electric wringing and drying machines, your budget would not, to-day, be so low. To those who make such reproaches to workmen, I shall say that the latter are not responsible for the situation they are in, that certain deceitful economists—these economists who have never known one word of this science and still less of the psychology, of the people, are to be found everywhere—who advocated mass production, under the plea that this production and extensive distribution would contribute to the increase of salaries. Industrial interests sought the press, at large, and through repeated advertisements, and active canvassing from door to door the workmen, to whom continuous prosperity was promised, surrendered and thought it quite proper to purchase the articles that modern progress offered them.

The workmen are the cause of the present situation? The cause of all the taxes by which they are, to-day, burdened? No! Have our workmen any influence whatsoever in the directorship of our banks, industries and large corporations? Have our workmen a voice when matters of high diplomatic order or of international finances are involved? I say no. Since the right hon. Prime Minister stated the other day that one must always bear in mind the human factor, I say that on the occasions referred to the workers surrendered to pressure, believed in the economic untruths spread everywhere, and it is while reposing their trust in these economic statements that they may have made a supposed slip for which the government blames them, to-day, to cover up its unsound policy and bad administration.

There are still other economists, those attached to large industries, who have convinced the workmen that the machinery which displaces them would never reduce them to the rank of the unemployed. "This machinery they stated, which to-day deprives you of work, will help you to-morrow to find occupation in other industries." I am not against progress, I know that machinery will continue to improve; however, it behooves the government to relieve the situation. It is the manufacturers who, at present, contend that the government, in cooperation with them should find the means of creating new business to give work to those whom the machinery has temporarily displaced.

There is one thing which I want to point out: our governments cannot take to themselves the whole merit of having helped the unemployed since the crisis started. In the large city of which I am one of the representatives, to what would have amounted the help given without the numerous contributions of private charity? What would have become of these numerous unemployed in Montreal East, with which I am better acquainted than the other parts, if the property owners of that section—many of the latter being workmen themselves, who, thanks to their savings, were able to possess themselves with a modest estate—what would have become of these numerous unemployed, notwithstanding this supposed help of governments, if these property owners, simple workmen like the unemployed, and who themselves are without work, had not gratuitously given and were not still giving to-day to the unemployed who live as their tenants, the privilege of staying in these tenements until prosperous times returned? It is well to point out the part contributed by each in the relief given up to date.

I have listened to speeches delivered by members on the government side; I have read some of them and I note that, almost all, confined themselves to criticizing the leader of the opposition for not clearly understanding the situation, throwing bouquets to the leader of the government and conferring on him all the attributes of omniscience and prescience that one can imagine. They referred to Stalin and the Soviets, they made us travel thousands of miles and landed us in Russia to inform us that the government over there would not suit us.

All these things are known, and, in my opinion, we are magnifying the situation in

leading the country to believe that communism exists within the four corners of Canada. I am especially referring to Quebec; there communism has no hold and our people do not even think of asking us the definition of this new social order which Slavonic Russia at present delights in. What the workmen to-day request of the government, and what they together with the unemployed ask us, we of the opposition, is a system for a practical solution of the problem; what the out of work at present want are not unworkable measures, as those which have been enforced up to date, but it is the cooperation of industry and government to solve the problem with which we are faced.

Sir, the situation is critical. The world is wondering, like, in the past, Lord Shaftesbury, in England, whether there exists a scarcity of statesmen able to meet the situation. Work, that is what they crave for.

Will the Conservative patricians opposite, the followers of the government manage to understand that the people are tired of the miserable official pittance and the repetition of oratorical display to which they were invited at the election of 1930, by promising that three days after the advent to power of the Conservative party there would be no more unemployed in Canada?

I was listening, quite recently, to a radio broadcast of a sermon delivered in the great St. James Anglican Cathedral, in Montreal, by Dean Carlyle. Commenting on a passage of Genesis, he stated: "Pharaoh asked Joseph, one day, where he could find a wise man, imbued with the spirit of God, capable of restoring prosperity over the land of Egypt." I ask both on behalf of the unemployed and myself, that a man or men be found in the Canadian parliament capable of helping to restore prosperity over the land of Canada. "Canada First" must not be simply a motto for a political rally but a policy which the government must follow in seeking a possible solution to the present problem of unemployment. We must not display too much optimism; I do not ask the government to restore full prosperity all over Canada, but to alleviate somewhat the burden which, at present, weighs on the shoulders of our people. Work, always work!

Mr. J. ACHILLE VERVILLE (Lotbinière) (Translation): Mr. Speaker, allow me to reply to certain assertions to be found in what an hon. member of this house called, yesterday afternoon, the churning of the hon. member for Compton (Mr. Gobeil). The hon. member contended, among other things, that by our attitude in the house, we took upon our shoulders a great responsibility towards the public. First, this assertion coming from this hon. member is not of a nature to frighten us, and, moreover, we fully realize that we are championing here the rights of the people against the autocracy of the government and, owing to that fact, our responsibility is light and easily borne.

Following in the footsteps of some of our hon. friends opposite, the hon. member directed an attack against the Quebec legislature and alluded to, as some of his hon. friends did, an act adopted at the last session of the Quebec legislature: the Dillon Act. If these gentlemen are sincere in their indignation, they have the means at their disposal to prove their sincerity: if this act is so unjust, now that their friends are in power at Ottawa, why do they not ask for its repeal? This would, undoubtedly, allow them to discover that they committed a great injustice, here in the house, in disparaging the people of Quebec, and would afford them, once more, an opportunity to learn that the electorate of Quebec, at the last provincial election, were not bribed.

Mr. GOBEIL (Translation): Not all 200,000 of them.

Mr. VERVILLE (Translation): We, on this side of the house, prove our sincerity. You heard the other day, sir, the right hon. leader of the opposition (Mr. Mackenzie King) state that we were ready to vote the necessary grants which the government requires, but that we did not wish to adopt blindfolded, an act necessitating a large outlay of public money. It is perhaps, you may retort, a lack of confidence in the present government. So far as I am concerned, I have no fear in stating that I have no confidence in the present administration.

Mr. GOBEIL (Translation): I knew it.

Mr. VERVILLE (Translation): I was pleased to listen to the speech, last Tuesday, of my friend, the hon. member for Dorchester (Mr. Gagnon), and I wish to congratulate him on the fervour he displayed in defending his friends the members of the government. We often heard it said, that he is in line for a portfolio. I readily admit it, he has the necessary stuff in him to well cover this portfolio. One of his remarks is as follows: After reading the resolution which is before the house he tells us that the substitution of the word "May" for the word "March" is the only change to be made. We also did read the language of that resolution and it is precisely because it is too short that we are

opposed to it for fear of its results. As to his conclusion about the favourable outcome of the Three Rivers-St. Maurice by-election to the credit of the government, because it reflects the feeling of the electors of that constituency towards his party, I do not share the same opinion. As he did not exhibit any power of attorney from the different constituents of the province of Quebec authorizing him to act as their spokesman in this house, I think it is much better to wait and let them speak for themselves. That is why I cannot accept his conclusions.

Some hon. MEMBERS (Translation): Hear, hear.

Mr. VERVILLE (Translation): Last Thursday, I heard the hon. member for Quebec-Montmorency (Mr. Dorion) endeavouring to justify his friends for having proposed that measure to parliament. What I might term his plea was rather in the nature of an onslaught on the legislative assembly of Quebec which is in no way concerned in this debate. Nevertheless he found something very unusual; he contends that we, on this side of the house, spend our time asking for information from the ministers and heads of the various departments just to be ready for the next election. Even if it were true, I should be inclined to think that it is not a bad thing. But I might add for my hon. friend's information that we want to get at something else and it is to show plainly all the inconsistencies of the present government.

Take, for example, the answers and documents tabled by the hon. Postmaster General (Mr. Sauvé) showing innumerable cases of postmasters who have been discharged, honest and upright men thrown on the street without any reason whatsoever and against the wish of hundreds of citizens who signed petitions in their favour. When we think of the way they have been treated just to please some political friends of the government who have been in politics longer than those whom they replace, we cannot but feel to what extent such a measure falls short of the pledges made by the minister himself. No doubt this might be said with equal force for every other department. Then, Mr. Speaker, I think it is our duty to get all the information so as to be able to put them before the people at large. We do not wish the citizens of this country to be fooled once more by our friends opposite, but we want to be ready to redress all the wrongs that have been done, when better days come, and that will not be long particularly with a new government.

Such strong reasons have been set forth in support of the resolution before the house and in such numbers, that the government should have listened to them and, admitting their error, should have accepted their logical conclusions. But no; be it for good or for worse the government has decided that the measure should carry; that might be the reason why our friends opposite do not even open their mouths and attempt to utter one single justifying word. Accordingly, I do not feel that I can change their mind, because it is beyond my power and, secondly, because their leader does not permit that. That is what we have learned and observed since they sit on the other side, that is since 1930.

When I rise to-day, Mr. Speaker, I feel that I perform my duty. We are here the people's representatives; we are responsible to the people and it is our duty to find out and know the way this government is going to spend our common funds. I am sure this country would be better off if the government were willing to state to the house the expenditures they intend to make in order to be able to solve once more the problem that their leader had pledged himself to settle within a few days following his advent to power.

The constitutional aspect of this question has been discussed very ably by several of our friends. They have proven that, even if the government feel that they can take and enjoy every power, they cannot bring back to life those who are dead. Well, it is exactly what they are labouring at in this case. Moreover, they want to deprive the members of this house from one of the finest prerogatives, which they hold as a constitutional right, that is the voting of all the expenditures of public moneys needed by the government to administer the business of this country and particularly to relieve the unemployment situation. One would think, Mr. Speaker, that the constitution was, in days bygone, something to be reckoned with. But now, our friends opposite seem ready to stand up and say: "The constitution, to the dogs! We are in power; this country is ours and we shall administer it as we please, even in defiance of all the statutes heretofore well observed."

I give credit, Mr. Speaker, to the right hon. the leader of the government for many fine qualities and I sympathize heartily with him in his efforts to cope with the embarrassments which are of his own making. But there is one thing I will never admit and it is that he cannot enact laws when and how he wishes to, in defiance of existing statutes and of the parliament now in session.

I quite appreciate that our hon. friends from the other side, following the example of their leader, are ill at ease when they think of the promises they made in the past, and

that, at the present time, they deem it wiser to refrain from making further promises. But, to-day, we do not ask for new promises; we simply ask, as we are entitled to, to be informed as to the character of the legislation before the house; we want to know just what further amount of money the government intend to spend during the next two months in order to settle, once for all, the unemployment problem, and how the money is to be spent. After all, this money belongs to the people, and as such, the latter are entitled to know from the members of the government what use they intend to make of it. This legislation is either sound or unsound; if it be justifiable, then why should one be afraid to give the members of this house detailed information in reference to it.

Why then this legislation by way of an order in council, outside of parliament? Why extend for another two months an act that is dead? Why this hide-and-seek game? Are we to infer that the legislation is not sound and lends itself to warranted criticism? I fear, Mr. Speaker, that we may be led to think so, the position of the government being such as to justify that impression.

The principle of the act itself is not involved in this debate. As far as I know, no one in this house has stated that he was against granting any relief to the unemployed. To the contrary, we are all of one opinion on this point; we have needy people in our midst and it is our duty to give them a reasonable sum of relief, to the extent our resources and means enable us to do so.

This government has created a new profession: that of the unemployed; it has organized that profession, and we are now called upon to feed and support its members. However, Mr. Speaker, may I state that, in my opinion, the government can hardly feel proud of their invention when, in order to feed the members of that new profession, they have decided to spend millions upon millions, at the risk of leading the country in to bankruptcy, of impairing the financial situation of our provincial governments, as well as at the risk of courting insolvency in the case of our municipalities.

Mr. LAFLECHE (Translation): What about that overdraft of $16,000,000 in Quebec?

Mr. HACKETT (Translation): You may find out from the Bank of Montreal.

Mr. VERVILLE (Translation): That is a provincial matter. Everybody knows that this reckless spending of public funds has caused distress everywhere and has reduced all our governing bodies to financial disaster. After all, these millions must come from the pockets of the taxpayers. And where will such doings lead us to? We are called upon by the government not to look into their expenditures, to contribute a share of our sessional indemnity, to economize in their stead, but what shall they do when the two months are gone? We are entitled to know? A time shall come when Jack Canuck will no longer be in a position to pay and that day is very near at hand.

We help the brokers, the unemployed in the cities, the farmers in the west; all that is very fine, but, may I ask, what benefit has so far accrued to the farmers in the east from the enforçement of the Unemployment Relief Act? They, too, freely and liberally contribute to the relief fund and yet their needs are equally urgent. They also endure their share of distress and if they complain less than the others, it is probably owing to the fact that they are less reckless and more provident. At any rate, they should no longer be called upon to contribute and submit to such exactions.

Be that as it may, Mr. Chairman, there is a fact no one can deny: at all times we have had needy people in this country just as in the case in others lands. And, while admitting that hard times have added to their number, we would have a great many more had our friends from the government side not organized those we have into a profession, along with a promise to support them.

Mr. DORION (Translation): The Holy Scriptures say: "For the poor always ye shall have with you".

Mr. VERVILLE (Translation): That is evidenced by the fact that we are spending millions of dollars for their relief, as they increase in number. Should that be the best solution that offers for the settlement of the problem, then I am afraid the process of settlement will be everlasting, because the more the government does to settle it, the farther it gets from being settled.

We have always had poor with us but they were allowed to come to us and humbly beg for charity; they very seldom went empty-handed. In their wisdom the government deemed such a system out of date; apparently they found that Christian charity is not sufficiently in keeping with protection, and so, have determined to disregard it entirely. What are the results? This is what happens: It is no longer necessary for those in need to ask for charity; with the system newly created by our friends from the other side, and under our statutes, they are authorized to ask for

money, and in many cases, entitled to support. On the other hand, those who are in better circumstances are being denied the merit of dispensing charity of their own free will, the government of the country having compelled them to help the poor, and that to a specified extent as to the contribution.

For the above reasons, as well as for others indicated by the hon. members to my left, I am opposed to the extension of the act as asked for by the government, before we are told on what grounds such demand is being made.

As a last word, Mr. Speaker, I urge the government, notwithstanding their poor disposition and their great love of extravagance, to tell us where they are leading us to. I say that, in attempting to remedy the situation, they should set the example, and refrain from endeavouring to sever the bonds uniting the various classes of the Canadian community, leading one group to believe that it enjoys protection through their extravagance, while they "pilfer" the pockets of the taxpayers belonging to the other classes, without saying openly that such methods are intended to conceal the government's squandering of funds and to meet with the exigencies of political patronage.

Mr. MARTIAL RHEAUME (St. John's-Iberville) (Translation): Mr. Speaker, I take part in this debate in order to state to the house the reasons why I cannot support the resolution. I shall not discuss the constitutional aspect of the issue since it has been dealt with in a masterly way by my hon. leader (Mr. Mackenzie King), by the former Minister of Justice (Mr. Lapointe), by the members for Ottawa (Mr. Chevrier), for Hants-Kings (Mr. Ilsley), and for Vancouver Centre (Mr. Mackenzie), as well as by a galaxy of speakers on this side of the house.

In my opinion, the manner in which this legislation has been carried out is in fact an abuse of authority. The act was used for the purpose of amending, by way of orders in council, the Bank Act, the Insurance Act, in order to please friends, and that constantly under the cover of good government, of unemployment and farm relief and for the maintenance of peace and order in Canada.

We are taken to task, Mr. Speaker, for not having offered any constructive suggestions. Many suggestions have been made, but they are worthless in the opinion of the members of the government because they originate from this side of the house. In the first place, I wish to mention one, that of the right hon. leader of the opposition (Mr. Mackenzie King), which may be found at page 695 of Hansard and reads as follows:

Before parliament dissolved, before we went to the country, we had placed in the supplementary estimates a vote for $10,000 to provide for the holding a conference which would bring together representatives of different interests in this country to consider what steps should be taken to deal with the problem. I explained in this house before, and I will explain again what we had in view in that connection.

It was intended to bring together, as had been brought together on a previous occasion, representatives of employers' associations such as the manufacturers' association and other employers' associations; of the labour organizations, such as the Dominion Trades and Labour Congress and of other labour organizations; representatives of the municipalities, such as the Union of Canadian Municipalities, representatives of the Canadian Chamber of Commerce, which could speak for the great trading interests of the country; representatives of the provinces; representatives of the Red Cross, of the great transportation companies and other organizations who would be in position to consider methods of cooperation in furthering emyployment and make helpful suggestions as to what might be advisable in the way of further steps to deal with this question.

Another is to be found at page 914 of the Hansard and reads:

If my right hon. friend will drop the resolution which is now before us and ask his Minister of Finance (Mr. Rhodes) to come to the house this evening with a supply bill indicating the amount of money which the administration feels it will be necessary to have in order to meet the situation between now and the first of May, or the period during which parliament may be in session, if he will take that course, and move that the rules be suspended so that such a supply bill can be speedily passed through the house and sent over to the Senate, we of the opposition will cordially join with the government in agreeing to the suspension of the rules, and will seek to expedite the passage of such a measure through the house to-day. I make an urgent appeal to my right hon. friend—who as Prime Minister surely has an appreciation of the responsibility involved in the setting of a precedent, who surely venerates British parliamentary institutions and would like to have them upheld—

Mr. Speaker, the position taken by the hon. leader of the opposition (Mr. Mackenzie King) before the election in 1930, as well as the offer made by him the other day to the right hon. the Prime Minister (Mr. Bennett) were worthy of consideration. We are asked to cooperate with the government, we are invited to offer suggestions, and these two suggestions are being ignored.

We are quite willing and ready to cooperate with the government. In a speech delivered on the 9th of March, the hon. Minister of Railways and Canals (Mr. Manion) solicited the opposition's cooperation, invited them to join and help the government to remedy the

depression now facing the country. We are ready to do so, but the government refuse to accept any suggestion from members of this side of the house. If, after having thus tried to enlist the cooperation of the opposition, the government were sincere, they would have accepted some of the suggestions made by members of the liberal party, and this would have induced us to offer further suggestions.

When a person is asked to cooperate, one must be fair towards him and follow sometimes his advice. In my eighteen years of experience with the municipal council of my town, I have learned what cooperation means. However, there cannot be cooperation if one refuses to follow any of the suggestions made. The idea of which our hon. friends opposite have of such cooperation, is to do what they have decided without consulting us on the matter; should we refuse, we are looked upon as unworthy Canadians and charged with impeding the government in their efforts to relieve unemployment and agriculture.

We are willing to vote 20, 30, 40, 50, 100 or 200 million dollars to relieve unemployment, but we are not ready to give a free hand to the government to administer the affairs of this country. We are here as representatives of the people and have a right to be heard and defend the constitution.

The hon. member for Inverness (Mr. MacDougall) in his speech on March 10, at page 981 of Hansard, stated:

> The control of parliament over taxation is a fundamental principle of British government. So fundamental is it that we did not require the comments of such a great champion of constitutional government as my hon friend who just preceded me to put us right in the matter. I say that the elected representatives of this or any other parliament have the right, if they desire to exercise it, to delegate to the government the power to control taxation and the expenditure of money. There is not an authority on the constitution of this country or on constitutional practice prevailing in any British country saying that parliament's control over taxation and expenditure must have unanimity of opinion from all elected members. It is quite—

We do not dispute this statement, however, we contend that we have a right, as members, to express our views and it is what we are doing. Further on he states:

> What was their policy when in power? The right hon. gentleman (Mr. Maskenzie King) had a policy then; he was prepared, with his charitable disposition and from the goodness of his heart, . . .

When the leader of the opposition was at the helm of the affairs of this country, he certainly showed himself better disposed than the autocrat leader of the government. The leader of the Liberal party had foreseen, in the 1930 budget, what would happen. The leader of the government was then leader of the opposition and knew that these amounts had been voted.

The minority in the house, sir, is entitled to be heard and has the undeniable right to oppose, if it so desires, measures so autocratic, notwithstanding the contentions of the hon. member for Lake St. John (Mr. Duguay) who states that he is in receipt of a telegram from the town council of St. Joseph-d'Alma, which reads as follows:

> That this council deem it their duty to earnestly request, on behalf of the public interest, that a new agreement or arrangement be made between the government at Ottawa and the Quebec government in order that an additional sum be allotted to continue the work begun and carried on this winter on the Quebec-Lake-St.-John road, in the Laurentian Park, from now on to July 1, 1932, with a gang of 500 men.

I have received no telegram from the town of St. John's, yet I am willing, together with the opposition, to vote the amount which the government requires. Further on the hon. member states:

> Yet, the opposition, to-day, impugn the constitution and smile benevolently to all that flavours of communism in our province and throughout Canada.

I dispute, sir, the right of the hon. member for Lake St. John to state that the Liberal party makes common cause with the communists. The Liberal party boasts of a splendid past and gave during numerous years an honest administration to the country. I think that the hon. member for Lake St. John has no right to state that the Liberal party has made common cause with the communists, because that party is composed of upright and honourable citizens.

Further on in his speech he asserts that the hon. member for Quebec East (Mr. Lapointe) endeavours to represent himself as the champion of his country's cause. I charge, sir, the hon. member for Lake St. John with endeavouring to discredit the former Minister of Justice, who has acquired, in Quebec, the reputation of being a statesman and a faithful servant of his country. No sincere Canadian will deny, him this title. When the Liberal party was in power and Messrs. Lapointe, Cardin, Rinfret and Cannon sat in the council of the nation, I think the province of Quebec was highly represented. Thank Heaven!

I shall take this opportunity, sir, to congratulate the hon. member for Champlain (Mr. Baribeau) on his maiden speech in

parliament on March 11, at page 1035 of Hansard, in which he states:

> I think that those opposing the bill would not feel so much at ease in discussing this measure in their respective constituencies, because the voting of this resolution introduced by the right hon. Prime Minister is anxiously sought by all citizens of Canada.
>
> I am speaking on behalf of the great majority of my constituents, which I have the honour to represent, when I request the government to extend the period in which relief will be given to the unemployed. I received within the last days, a telephone message from the mayor of Grand'Mère, asking me to take the necessary steps to get the act extended. The mayor of Grand'Mère who is highly thought of by his fellow citizens, does not share my political view. I am certain that he does not approve of the numerous speeches delivered by the representatives of his party, on this question.

I am willing to discuss this resolution in the county of Champlain and I invite the hon. member to a debate on this question in my constituency. A number of members on the government side made an attack against the former Minister of Justice (Mr. Lapointe); however, I feel certain that not one Conservative member of Quebec, whether he hails from Quebec-Montmorency or any other county, will invite the former Minister of Justice to discuss this resolution in his county.

I do not share the views of the hon. member for Champlain, when he states we are preventing the adoption of this motion. We are defending our constitutional rights, which are dear to all Canadians, except to the Tory party; we are, however, willing to cooperate with the government in all that is just and reasonable.

The hon. minister of Trade and Commerce (Mr. Stevens) in his speech on March 15 last, contended that the question involved in this measure was settled last year. But it was then contended that the government could not stipulate an amount, that parliament would not be sitting, that owing to the lack of previous experience in the matter, it was impossible to state what outlay would be made to meet the situation and especially as regards the western provinces. Further on in his speech, the hon. Minister of Trade and Commerce admitted that the opposition had offered to approve a vote of $100,000,000, but that the government had not considered this amount sufficient, and that is why the government had introduced the present resolution. And the hon. minister added:

> When an amount is stipulated in advance the opinion which prevails is that it must entirely be expended.

Let the government follow the suggestion made by the hon. leader of the opposition that a commissioner be appointed to investigate conditions throughout the country. In my home town we have a commission chosen, without regard to politics, by the municipal council, in order to give direct assistance, and we are very pleased with its work. Such a commission exists in Saskatchewan and great praise was given to it, within these last days. It is the appointment of such a commission that the leader of the opposition suggested at the outset of this debate.

The Minister of Trade and Commerce, moreover, asked the house to extend the provisions of this act for two months so as to fulfill the agreement made with the western provinces in connection with supplies of seed grain and cattle feed. I think it should be an easy matter for the government to stipulate an amount because according to them they are fully aware of the western situation. They must know what outlay they had to make each month, since they contend that they have a perfect control over the country's expenditure. The minister asserts that parliament consist of both the government and the opposition. It is true, he states, that the opposition did not support this measure, but parliament, as a whole, has sanctioned it. This act might perhaps have been justified when parliament was not sitting, but no valid reason exists to revive this act when the house is in session. We are here to discuss the administration of the affairs of this country, and I do not intend to yield my right to the government. I deem it my duty to protect the rights of my constituents, and I think I express the wishes of the great majority of them.

The western farmers are not neglected, but those of Quebec and Ontario are. Their markets were taken away from them, the cost of machinery and farm implements was increased by raising the taxes; the members of Quebec and Ontario on the government side, even our own cabinet ministers, did not think of protecting the rights of our farmers. Let them awake from their slumber! The Quebec and Ontario farmers also need help. I know some, in my constituency and in many counties of our province that are almost bankrupt; and if the government does not come to their rescue, as well as to that of the western farmers, it will be doing them a grave injustice. We have farmers who cannot do their sowing because of their lack of money; they also need seed grain, and I ask that justice be done to them. Whether they hail from Quebec, Ontario or the east, it matters little. I state that the farmers, workmen and unemployed of this country must

be placed on an equal footing. The funds expended, at present, by the government are not the property of the Conservative party, but the money of this country.

Some hon. MEMBERS: Hear, hear.

Mr. RHEAUME (Translation): Liberals as well as Conservatives are entitled to justice, whether they be farmers, labourers or unemployed. I say that in time of distress we should not be concerned with political parties, or creeds, or races, but we ought to give justice to all the citizens of this country.

Mr. Speaker, hon. members have spoken of orders in council that were passed by the Liberals. They have mentioned one concerning the Beauharnois; but I would like to have copies of those which were passed by this government, since it is in power. I know that hon. gentlemen opposite are possessed of a great power; they endeavoured by orders in council to convert potatoes into radishes, but they failed. They have shown their skill in converting surpluses into deficits and the future will show that one of the peculiarities of Tory governments is to drive the country to bankruptcy. In 1896, the great leader of the Liberal party at that time, Sir Wilfrid Laurier, saved the country from bankruptcy and turned deficits into surpluses. In 1911, the Tory party came back to power and the following year deficits had replaced the surpluses of the Liberal administration. The present hon. leader of the opposition assumed power in 1921, and two years later he had changed the deficit into a surplus; in 1930, the party of autocracy came back, and six months after, the surpluses had given place to deficits.

Hon. members on this side of the house who spoke on this resolution are not all Liberals, but they are all anxious to safeguard our constitutional rights. Every political party, with the exception of the Tory party, have opposed this resolution.

Mr. Speaker, I considered it was my duty to voice my opinion in this debate. I represent one of the most beautiful, if not the finest constituency of this Dominion, which has always been true to the Liberal party since confederation. It has placed its confidence in a party which always did credit to Canada and it was always opposed to conservative governments that never brought anything but deficits.

Mr. MAURICE BRASSET (Gaspe) (Translation): Mr. Speaker, before the house decides as to the opportunity of extending the Relief Act for two months, such as requested by the government, I think it is our duty first to study whether the blank cheque given to the right hon. Prime Minister (Mr. Bennett) and his colleagues, during the last session, has brought about the results which the people expected from it. The Prime Minister submitted that emergency measure, not at the opening of parliament, but later on in the session when the representatives of the people tired and harassed by their long labour are getting ready to go back home. It is then that the government, probably to avoid a long discussion and to reach more easily their goal, proposed that famous measure, which after all meant the handing over of dictatorial powers to the Prime Minister and his government, namely the power of spending the people's money as he saw fit and as much of it as he wanted, without the people's representatives being consulted.

The Minister of Trade and Commerce (Mr. Stevens) stated, a few days ago, that it was necessary sometimes for the Prime Minister to ask for the powers of a dictator. I would point out to the hon. minister that our country is ruled by a constitution, that the Prime Minister and his government have only the power of carrying out the legislation enacted by this house, and there is no urgent need to-day of granting a blank cheque to the executive, when the people's representatives assembled are ready to place into the hands of the government all the funds which they may require to face the situation. Consequently the powers of a dictator that the Prime Minister wishes to assume, according to the words used by the Minister of Trade and Commerce, are not justified.

The Prime Minister stated recently that the wheat of the west was sold, but not paid for; then he must know how much money he requires. Let him ask for the amount through a supply bill, and the opposition declares itself ready to vote the necessary funds.

The Minister of Trade and Commerce also stated that the extension of the powers granted under Bill 58 was requested because credits had been granted to some provinces and municipalities which had not had time to make the expenditure. Once more, the government knows the amount they require; let them ask the house for it, and the house is ready immediately to vote the necessary funds. The government cannot say that we systematically oppose this resolution. We are willing, and I say again that we have always been willing to grant the government the necessary funds, provided that the government specify the amounts and tell us for what purpose they want them. The government have no reason to take such a stand, save their obstinacy and

their desire to pass over the constitutional rights of the house. The prime minister wants to govern the country all by himself, without anyone's advice. Up to now that policy has utterly failed, and I for one do not see why we should willingly let the prime minister continue such a policy at the expense of the whole country.

In the course of his speech, the other day, the hon. member for Dorchester (Mr. Gagnon) stated that Hon. Mr. Taschereau, the prime minister of the province of Quebec, had said that there were no unemployed in that province. My hon. friend will surely allow me to correct that statement. Hon. Mr. Taschereau said that there were people without work, and a large number too, in the province of Quebec, but the province was able to care for them; however, if the federal parliament adopted any measures to relieve unemployment, the province of Quebec would want its share, just like the other provinces. That was the statement made by Premier Taschereau. By the way, I must say that this government have not dealt fairly with the province of Quebec. As its share of relief funds the province of Quebec received $4,000,000, while the province of Ontario got $7,000,000, and British Columbia over $6,000,000 for a population of 700,000. Why such a discrimination? The province of Quebec is just as much affected as the other provinces and it should have got its proper share of unemployment relief funds. I noticed that nearly all conservative members from the province of Quebec who took part in this debate assailed that province and its prime minister, Mr. Taschereau. Why? Is it because they cannot find anything to say in behalf of the conservative administration here at Ottawa that they try to create a diversion by attacking the Taschereau government? I wish to point out to hon. gentlemen that we are not here to discuss the acts of the Taschereau administration, but that we are members of the federal parliament. Moreover the great majority of the people of the province of Quebec showed not very long ago that they were satisfied with the present provincial administration. I shall quote the statement made recently by the Lieutenant-Governor of the province of Alberta with regard to the province of Quebec. This is what he said:

> I think it is fair to say that the province of Quebec commends itself to the attention of the other provinces, on account of its sound legislation and almost complete lack of social disturbances that are so often witnessed in other parts of the Dominion. Therefore I have no hesitation to declare that that province, by the worth of its leaders, sets in many regards a splendid example for us to follow.

[Mr. Brasset.]

These words do not sound like those of hon. members opposite. They were uttered by a man thoroughly unprejudiced and that is why I have more faith in them than in those of hon. members opposite who assail the government of Mr. Taschereau.

Coming back to this resolution, I must say that notwithstanding the unconstitutionality of the measure presented by the government and the fact that the executive, through this legislation, is assuming powers that belong to the people's representatives, so far as I am concerned, I would not hesitate to vote for the extension requested by the Prime Minister, if that same legislation had previously served the purposes for which it was adopted. But I claim that in many cases the money has been wrongfully spent and wasted, and consequently the bill which it is proposed to revive has not served its purpose.

Upon coming into power in August, 1930, this government endeavoured to redeem one of the promises they had made during the campaign, namely; to put an end to unemployment. For that purpose a sum of $20,000,000 was voted during the special session of 1930, extraordinary powers were given to the government during the session of 1931, so much so that at the present time the expenditures not only of the Dominion government, but also of the provincial legislatures and municipalities, have reached an approximate total of $150,000,000. This is an enormous amount of money, and if it had been properly spent it would not have cured unemployment but it certainly would have largely helped in restoring prosperity in this country. Instead of that, conditions steadily became worse. In the spring of 1930, the unemployment index was 9 per cent of the working population; it was 20 per cent in the United States and 14 per cent in Great Britain. It shows that Canada was in a favoured condition due to the sound policies of the former government, the wise administration of the Right Honourable Mr. Mackenzie King and specially the salutary effects of the Dunning tariff, which, though depression had set in, stimulated the trade between Canada, the other parts of the empire and the rest of the world.

But the cry raised by the Conservatives during the election had a fatal result. In fact during two or three months through the campaign, the dealers, the manufacturers and the business men heard nothing but speeches on depression, ruin, and distress. Confidence gradually gave place to fear; undertakings were stopped; the industries, instead of going ahead, waited for better days; and so, in a very

little time, what was but a feeling of uneasiness became a serious crisis, the direct and immediate cause of which may be found in the thoughtless statements of the leader of the Conservative party and of his supporters. At the end of 1930 there were 200,000 unemployed, and at the end of 1931, or rather at the beginning of 1932, their number had more than doubled and had reached 500,000, according to official statistics. Therefore, Mr. Speaker, all the fine pledges of the Conservative party have vanished; all the efforts of this government have been useless. The government spent enormous sums, they wasted the money of the country and of the ratepayers, not only in vain, but each attempt on his part made things worse. If the government wanted to spend money for the unemployed, why did they not do it in a practical way, why did they not foster the trade, which would have been a real asset for this country. And why did they not confine the expenditures to the Dominion government, instead of compelling the provinces and the municipalities to go into debt and to ruin themselves trying to follow the Dominion government in the fatal path in which it had engaged.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BRASSET (Translation): Mr. Speaker, when the house took recess, I was discussing the resolution for the extension from March until May of Bill No. 58. I said that the duty of the members of the government and of the opposition was to study whether this resolution was actually in the interest of the country, before assenting to it. I also said that last year the Prime Minister had presented his bill quite late when the members of this house were on the eve of returning home, and I pointed out that he is also late this year. I stated that he should have presented his resolution at the very beginning of the session, instead of waiting until March, that is after the expiration of this measure, to try and have it revived. The government had no reason to wait so long. I said also that the Liberals did not wish to obstruct and that they were willing to adopt a supply bill, but that they could not gladly grant to the Prime Minister and his government the powers of a dictator and the powers conferred exclusively by the constitution upon the people's representatives. I went further and stated that if this measure were absolutely necessary, I for one, would be ready to vote for the resolution; but, as I have just said, it is not only unnecessary, but useless, because we are ready to support the government provided that they mention the amounts that are required and the purposes for which they are intended. I stated also that the policies of this government had made conditions worse instead of improving them, and that in any case they should not have dragged the provinces and the municipalities after them in the fatal path they were following.

Mr. Speaker, what was the result of this policy of the government? The result is that several provinces are virtually in bankruptcy to-day, that the municipalities are so deeply in debt that they will require years and years to emerge from the abyss they are in. Somebody stated to me only recently that six municipal councils of Ontario had made an assignment of their property on account of the debts incurred for the relief of unemployment. And the Dominion government is not in a much better position. It is rumoured that the Finance Department is at present in a pretty hard predicament. Failures everywhere: failure of municipalities, failure of provinces, failure of the Dominion government, failure of the government's pledges, and soon, at the next election, failure of the Conservative party.

Some hon. MEMBERS: Hear, hear.

Mr. DORION (Translation): That is the best thing you said so far.

Mr. BRASSET (Translation): Exactly.

Mr. CASGRAIN (Translation): It is true.

Mr. DORION (Translation): Lucky hit; have it patented.

Mr. BRASSET (Translation): We shall wait for the next election to have it patented. And all that because the funds were improperly spent and in many cases wasted.

The government spends millions of dollars trying to give work to the unemployed, but at the same time they decrease other expenses, particularly in the Department of Public Works. From September 1930 to April 1931, the government has spent about 17 millions of dollars to relieve unemployment and during the course of the 1931 session, they reduced the Public Works estimates by over 17 millions. They spend on the one hand, but they cut down expenditures elsewhere. If the present government had followed the policy adopted by the Mackenzie King administration, so far as public works are concerned, wharves, breakwaters, lighthouses, public buildings and railways would have been

built all over the country; works which would have increased the assets of Canada without endangering her credit, or that of the provinces or of the municipalities.

In my county, the conditions are as bad as in the other parts of the dominion. It is inhabited mainly by fishermen and farmers. Last year, fishing operations were a complete failure,—the government is not to blame for this, neither do I blame them for this state of affairs,—and farm produce could not be sold because there were no markets for them. In many instances, the unemployed have had only a few days work and, unfortunately, those who least needed work were often those who did most of it. I know of many cases where people with bank deposits were given work on jobs to relieve unemployment, whilst others in poorer circumstances, fathers with large families, could not get work or got only a few days work. Men who needed this money most did not get it, but, as I stated a few moments ago, it was largely wasted. I could mention one instance where, through delay in getting the job under way, the ground froze and dynamite had to be used, with the result that instead of spending $500 or $600 on it they had to spend from $1,200 to $1,500. In another case, a bridge was to be built, and the workmen had to clear the ground of snow before they could start on the bridge, but when they were about through clearing the snow another storm came up and they had to start all over again; and thus about one third of the money voted for the bridge was spent before they could start the building operations. If the government had been a little more expeditious, if the work had been started in October and November, and not in December or January, there would have been no money wasted; the unemployed would have benefited to a greater extent, and a better job would have been done at a lesser cost. Gaspé county, which I have the honour to represent, is a maritime constituency; all its parishes are scattered along the shore of the St. Lawrence. Every year, while the Liberals were in power, the Department of Public Works built wharves, lighthouses and breakwaters, and repaired damages caused by the sea; this was done all along the cost not only in the interest of the constituency but in the interest of shipping in general and of the country as a whole. Prosperity thus reigned in that county, and by following the Liberal policy, the present government would obtain better results than they have had so far with the money spent on unemployment. Instead of that, all public works in the constituency of Gaspé have been practically stopped.

[Mr. Brasset.]

Whatever was accomplished last year had been planned by the Liberals, during the last session of their administration. Public works provided for in this year's estimates are still less numerous. Nothing, or practically nothing will be undertaken in Gaspé, or in the lower St. Lawrence, and it will be the same all over the country. The government has taken this stand because we have a deficit and because they want to put an end to unemployment. But, Mr. Speaker, is the government following a sensible course in doing this. Why does it not follow the Liberal program, why does it not provide large amounts in the estimates for public works which would be advantageous to the country? Optimism would return again, business would recover slowly but surely, and depression would vanish to make room for prosperity.

There is only one thing that keeps going in my constituency, as it does elsewhere, I believe. Recently I asked to be furnished with the list of all employees dismissed in Gaspé, since September 1930, by the Department of Fisheries, the Department of Marine and the Post Office Department, and I have a long list of victims who have fallen under the Tory axe. This list refers only to Liberals or so called Liberals; there is no mention on it of civil servants who, having been appointed by a Conservative administration, were kept on by the Liberal government. No investigations were made in their case; they were not disturbed, whilst fathers of large families were thrown on the street because they were appointed by Liberals.

Some hon. MEMBERS: Shame, shame.

Mr. BEAUBIEN (Translation): It is awful.

Mr. CASGRAIN (Translation): It is dreadful.

Mr. BRASSET (Translation): Is this the method to be followed by the government to relieve unemployment?

Mr. DORION (Translation): What a calamity.

Mr. BRASSET (Translation): Yes, what a calamity. We find calamities everywhere under the Conservative administration.

Mr. DORION (Translation): It is wonderful.

Mr. BRASSET (Translation): Would you allow me, Mr. Speaker, even now that you have heard so many suggestions, to state what would be a good way, it seems to me if not to stop unemployment completely, at least to reduce it. I would suggest a general decrease

in tariff duties, or that we go back to the tariff schedules in force under the Liberal administration. The tariff legislation passed by the present Conservative government has been a gigantic failure; it has ruined our trade abroad, without increasing our trade at home. The government said that higher duties would increase the number of factories in the country; what happened? In 1930, there were 4,400 manufactures and two years later, there are 4,670, an increase of 270; which is only a normal increase and it probably would have been larger under another administration. Furthermore, Canadian factories employed 525,000 men in 1930, and to-day they are only employing 400,000. What a success? It has been thus with the Conservatives ever since they have attained power; its the only kind of success they are capable of.

I wish to quote a striking example of the disastrous effects of the present tariff on my constituency. For many years back, practically all the fish caught by the fishermen of Gaspe was exported to Italy; and a small quantity went to Germany. This was a good and convenient market. But the Bennett government having raised the tariff duties on foreign commodities, Italian goods imported into our country were affected by this raise, and the Italian government retaliated,—as naturally did other countries,—by increasing its tariff duties on Canadian fish by 15 per cent. Yesterday about thirty countries were quoted as having retaliated against our tariff legislation. The Gaspe fishermen could not meet the Norwegian competition, on account of this 15 per cent duty, and have thus lost their most profitable market. This is another example of the results obtained through the destructive policy of the present administration. We have turned Italy and thirty other countries against us, and now Germany is raising her tariff duties on Canadian goods. The Ottawa Journal, under date of March the 15th, prints the following editorial:

Germany Doubles Its Duties Against Canadian Goods

Wheat not Included in List on Which Tariffs Will be Increased 100 Per Cent

Canadian Press Cable

Berlin, March 15.—The official gazette of the German government, to-day published a decree authorizing the finance minister to impose the so-called super-tariff against goods from Canada, increasing existing duties 100 per cent, as from April 1.

Goods specifically mentioned in the decree were: fresh, dried and tinned fruits, fish, lobsters, oysters, turtles, flour, butter, paper, cardboard, aluminum, shoes, certain kinds of machinery.

The decree provided that the duties can be suspended for six months, providing Canada at once enters into negotiations with Germany for the conclusion of a commercial treaty.

It is a suggestion asking Canada to lower her tariff duties on German goods, if we want Germany to reciprocate with us. With her present trade policy, Canada will soon be hard put to find countries to trade with, she will have to deal with the inhabitants of other planets, possibly with the man in the moon.

Mr. Speaker, the government wants to relieve unemployment, but let us see how they went about it a few days ago. A newspaper, which as a rule is a true supporter of the government, said in an editorial—

Mr. DORION (Translation): Le Soleil?

Mr. BRASSET (Translation): No, the Ottawa Journal. If my hon. friend has not read that editorial of the Ottawa Journal, I shall read it to him. It was published on Friday, March the 4th, and reads as follows:

(Text): An Un-British Spectacle

The scene on Parliament Hill yesterday was one that no British citizen could view with pride. With its spectacle of gun-toting and its parade of armaments, it was too reminiscent of Chicago.

The task of a government is to govern. But while under certain circumstances performance of that duty may compel the use of force, there is little but revelation of timidity and panic in the sort of thing that was flaunted in the face of Ottawa yesterday. Consider this, from the press reports:

"On Parliament Hill about 100 uniformed and armed men of the R.C.M.P. guarded the gates under the direction of Inspector J. W. Carroll, while 26 mounted men from "N" Division R.C.M.P., were drawn up behind the Parliament Buildings in anticipation of trouble."

"A special squad of 50 Ottawa police under Deputy Chief J. P. Downey patrolled Wellington street, while another squad of 35 was held in readiness at the police station. Plainclothesmen mingled with the crowd.

"An armoured car made the rounds of the Hill several times during the morning."

(Translation): I pass over several paragraphs and I come to this a little further:

(Text): The Journal has no sympathy with lawlessness or with Reds. It doesn't believe in "demands" nor in "threats". But neither does The Journal believe in the almost craven and un-British things that went on on Parliament Hill yesterday; in this Chicago-like flaunting of firearms; in a scene that smacked more of Fascism than of Canadian constitutional authority.

Such a spectacle doesn't destroy communism; it builds it up. Breeds it. Creates contempt for authority distrust and hate of it.

Two dozen of those able-bodied policemen without even batons could have handled the men who gathered here yesterday. A hundred unarmed officers could have overpowered them. Instead we had a war-like display and a clatter of armaments that was all but suggestive of Moscow.

The Journal protests. Protests against what was uncalled for, unnecessary, and un-British. Against a thing that couldn't take place in London; that would be laughed to scorn.

Strong government is required—sometimes. But there is a difference between strength and hysteria. And it was the latter that Ottawa saw yesterday. Unnecesary fear.

(Translation): It is under the present dictatorial administration that such a condition is allowed. The hon. Minister of Trade (Mr. Stevens) said the other day that the Prime Minister was seeking to get a dictatorship. That is the result he gets for seeking to obtain such wide powers: he has to call out the police force just as if he needed the protection of an army.

During the last electoral campaign I had several opportunities to say to the electors of my constituency: "If the Conservative party ever gets to power, the result will be a general increase of the tariffs and of the cost of living; the prosperity you enjoy just now will not last long; foreign nations will put a duty on the products of your fishing industry as well as on all your other products."

Unfortunately for my constituency and the rest of this country I was right in my prediction. Prosperity will only come back when a new administration, respecting the wishes of our population, will have put aside the oligarchy which takes the form of the present government.

This government did not keep their promises, they have failed to cure us of that ill we call the unemployment situation, and the unusual measures that they have enacted did nothing but increase the general distress. If the government are willing to relieve the unemployment conditions, let them abide by constitutional measures; let them introduce a supply bill and we are ready to adopt the same immediately.

We are not going, just to suit the Prime Minister's whims, to let them destroy the franchises of the people we represent in this chamber.

For all these reasons, Mr. Speaker, I shall vote against the resolution.

Mr. M. F. HEPBURN (West Elgin): Mr. Speaker, my first remarks this evening will be by way of congratulation to those hon. members on this side of the house who have contributed to the debate, and in this connection I would mention particularly the very excellent presentation this afternoon of the hon. member for Vancouver Centre (Mr. Mackenzie). As I listened to that brilliant oration I was struck with the fact that he must have been inspired with the spirit of St. Patrick, which seems to be so much in evidence on this day, not only in the House of Commons but throughout the city of Ottawa.

[Mr. Brasset.]

Hon. members on this side who have taken part or purpose taking part in this debate do not feel we should be charged with obstructing. Actually we are fighting to maintain the rights of parliament. In his speech on Tuesday the Minister of Trade and Commerce (Mr. Stevens) said that the constitutionality of the measure now before us was settled by the vote last year. With that statement I totally disagree. True, parliament by that legislation did give certain rights and privileges to the executive, but may I add that the measure was opposed by practically every hon. member on this side of the house. The effect of the power given to the executive is that it may disregard any statute in Canada, and make any new regulation it sees fit. I do not believe the spirit which permeates Conservative minds is in sympathy with either the farmers or the unemployed. The government has another reason for maintaining this principle. If hon. members on this side concur in the resolution now before the house the principle will be maintained.

In my view the title of the bill was a misnomer, and a complete misrepresentation. It should have been entitled, "An act to delegate to the executive the power to grant additional privileges to financial interests, notwithstanding anything appearing in the statutes of Canada." That is the real purpose of the measure before the house, and to bear out my contention I shall trace the history of the government's action since the legislation of last year was passed.

One of the first orders in council had to do with the guarantee of $20,000,000 to the chartered banks of Canada to save them against any possible losses in connection with loans to the western wheat pool. That was a move to make sure that the big interests would not suffer.

The second order in council had to do with the prohibition of the export of gold, extending a special privilege to the banks whereby on application special export credits or privileges would be given. The effect of that order in council I should like to explain. Canadian bank notes had depreciated in value on the New York exchange: If a man went into a chartered bank in Canada and withdrew $500 in bank notes, took them to the United States and changed them into American money at the depreciated rate as it obtained early in the month of January, he would receive only $400 in American cash, thereby losing $100. If however the Canadian chartered banks could get a special privilege from the Minister of Finance to export some of their own gold reserve, they could,

by exporting $400 in gold, redeem in the United States clearing house, their own bank notes to the extent of $500. In that respect a special privilege was given to the banks.

The next order in council gave the banks the right to file with the Dominion government statements which were not according to the facts. In other words the banks could totally disregard the Bank Act of Canada and value their assets in any way that would be acceptable to the Minister of Finance. There, again, a special privilege was given to the big interests, with no regard whatever for farm or unemployment relief. Then, the other order in council, about which we heard so much a few evenings ago in the debate on the motion of the hon. member for Vegreville (Mr. Luchkovich), gave to the insurance companies of Canada the right to make a retroactive valuation of their stocks when on December 31, of this year, they filed their statements with the superintendent of insurance.

No one has condemned more than the Prime Minister (Mr. Bennett) wild speculation in Canada, and yet when one of the greatest financial houses in Canada—probably the greatest—finds itself in difficulty as a result of a wild orgy of speculation with trust funds which probably belonged to widows and orphans, all it had to do was to come to this Tory government and have an order in council passed allowing them to inflate the value of their stock holdings. Prominent newspapers have taken issue with the motion sponsored by the hon. member for Vegreville and with his statement that one of the insurance companies in Canada was, in effect, bankrupt. If the powers granted under the act of last year had not been exercised, and had the government not allowed this insurance company the right to make a retroactive valuation with respect to speculative stocks held, the statement of the hon. member would have been absolutely true. So much for the big interests.

Another very interesting order in council, a copy of which I hold in my hand, was passed. It authorized the government to expend $287,000 to increase the Royal Canadian Mounted Police by three hundred. Speaking in the house the other day the hon. Minister of Trade and Commerce (Mr. Stevens) said the reason for this increase was that an arrangement had been consummated with Alberta and the other western provinces whereby the Dominion government was taking over the policing of those provinces. It was not long before the inaccuracy of that statement was shown, because at the time of the increase in the mounted police force there had been no negotiations with Alberta or with Manitoba. There was another reason for the increase of the mounted police entirely separate from the reason given by the Minister of Trade and Commerce. I can understand why the government is very much perturbed at the present time. The people of this country have been thoroughly fooled, and there are rumblings now in the back concessions—the people are getting dissatisfied. This government holds office by virtue of promises made. If members on the other side of the house had been honest during the campaign and had said to the industrialists, "If you vote for us we will put into effect policies which in two years will create conditions whereby the number of employees in your factories will be reduced by 200,000, and conditions will become so bad for you that you will be taking the greatest strain on your shoulders ever known in the history of this country," would they have received any votes in that quarter? They certainly would not. If the same gentlemen had said to the farmers, "Instead of blasting a way into the markets of the world and selling your produce for you, after we have been in office two years and thoroughly put our policies into effect, the prices for your farm commodities will be the lowest known in your generation," would they have received the votes of the farmers? They certainly would not. If our friends on the other side had said to the taxpayers, "After we get in office and have had a chance to demonstrate our policies, we will at the end of two years have a deficit of something over $225,000,000 and we will have put into effect every known method of taxation possible," would they have received any support from the taxpayers? They certainly would not. If instead of saying to the unemployed, "You vote for us and we will end unemployment or perish in the attempt; we will give work to every man who is willing to work," they had said honestly, "After being in office two years and thoroughly applying our policies, instead of 120,000 men out of work we will have 550,000 men on the streets," would they have received any votes from the unemployed? They certainly would not.

So these chickens are coming home to roost, and our hon. friends opposite are trying to avoid any further demonstration such as we had on parliament hill last week. And let me say a word with respect to that demonstration. I arrived at parliament hill at about two o'clock and was amazed to see guards at the gates armed to the teeth. I dodged out of the way of the armoured car

and kept clear of the cavalry. When I got to the main door I could see troops concealed in both directions. Why? Because some of these men who had been fooled by the wild promises of hon. gentlemen opposite were here as citizens of Canada to lay their just claims before the government of Canada. I went into the railway committee room and listened to the interview between the Prime Minister and the delegates representing these unfortunate unemployed men from practically every city in Canada. The Prime Minister had only twenty-five minutes of his valuable time to give them. He had plenty of time to satisfy his wounded vanity when that same day he attended before the committee that investigated the Gordon charges, but he had very little time, and very little patience either, for the unemployed. I listened to the presentation of their claims and I thought the delegates were very reasonable. These men were victims of a situation beyond their control, they were helpless, and they were looking to the Prime Minister to implement some of the promises he made to them when he was appealing for their votes in the campaign of 1930. But they got no satisfaction. I noticed among the delegates many members of the Canadian Legion. Being myself a member of the Legion, I took occasion to speak to these men. They said to me, "We fought for our country. We came down here to-day looking for bread, and we have received a stone from the Prime Minister. That is the gratitude we are getting from the man who appealed to us for our votes not quite two years ago."

Now, Mr. Speaker, when one sees what transpired the other day, and when one reads in this order in council that provision has been made for $5,000 to purchase riot bombs and for $21,750 for new secret service men, one is forced to the conclusion that the effect of this power is to enable the executive to give the glad hand to the big interests and the mailed fist to the unemployed who are smarting under present conditions.

This afternoon I listened to our hon. friends across the way while they heckled and ridiculed the statements made by my hon. friend from Vancouver Centre (Mr. Mackenzie), and I recalled that when those hon. gentlemen came down here after the election of 1930 they supported their leader enthusiastically; after the policies of the government had been in effect about a year and the results were beginning to show, and rumblings were being heard in the back concessions, the enthusiasm of our hon. friends opposite turned into dignified acquiescence; now when they are beginning to feel the full weight of the effects of their policies they are giving the Prime Minister what you might call spineless subservience, because any man who at this time votes to delegate to the government all the rights of parliament must feel that from now on he is more or less of a rubber stamp. I do not know how otherwise he can justify his barren political existence. Our friends opposite are quite prepared at any time when the Prime Minister indicates how they should vote, to get up row by row and quiescently do his bidding.

An hon. MEMBER: Hear, hear.

Mr. HEPBURN: "Hear, hear!" There is a typical disciple of the Prime Minister. He reminds me of the reference made the other day to the Prime Minister being like one of the sultans of old, that when he clapped his hands his janizaries jumped up to do his bidding. If hon. members across the way delegate all their power to the Prime Minister instead of parliament being a debating society, it just becomes the land of nod, and I would suggest that before the orders of the day are called they get their leader to tell them a bedtime story so that they may sleep all the afternoon. If their conscience is like their appendix, an inactive organ, they will have no trouble in sleeping soundly.

This motion, Mr. Speaker, is a challenge to responsible government. Never before have we had such a request made in any parliament that I know of. I only wish we had the hon. Minister of Railways (Mr. Manion) on this side of the house. What a powerful oration he could deliver under these circumstances. I well remember when a few years ago I was sitting on the government side and the hon. gentleman—he was then in opposition—coined a new expression, and enunciated a new policy: he said that what we needed here was "red-blooded Canadianism." I recall vividly how he waxed eloquent on that theme; in fact he floated on the full tide of his own verbosity, so to speak. But fate plays strange pranks with the lives of men; the hon. gentleman now sits on the treasury benches and the responsibility of office has had a mellowing effect upon him. After he had been Minister of Railways for some few months he declared that what the Canadian people needed most of all was a tomato juice cocktail. His red-blooded Canadianism has turned into tomato juice at the present time. I think that change applies pretty generally throughout the ranks of our friends opposite.

Another hon. gentleman who has taken part in several debates is the member for South

Wellington (Mr. Guthrie), the present Minister of Justice. He turned a political somersault from the Liberal party and landed on the Tory benches—what might be termed an instance of economic determinism. That is what makes a man turn in the direction from which he hears the jingle of a cabinet minister's salary. But I do not think his efforts, or those of the Minister of Railways, who is also a former Liberal, have been appreciated, because in Guelph their own leader said that you can always depend upon a convert to make a mess of things. I think he spoke the truth, because the railway situation is worse than it ever has been before, while the Department of Justice is practically the only department this year requiring an additional vote in order to carry on.

The other day during the course of this debate the Minister of Railways had a very excellent opportunity to tell the people of Canada something about the complicated railway problems which confront the country at the present time, but he did not do that; instead he indulged in a wild discourse on Russia. I have something to say about Russia, because we have had a lot of speeches with regard to what is transpiring over there, and we have heard the Russian people condemned because a few of them happened to massacre the czar and his family. I hold no brief for the Russian people, but I do not choose to condemn 165,000,000 people because a few of them massacred their own crowned heads. As a direct result of this sort of talk we have practically prohibited all trade with Russia, and that has had a bad effect on the industrial life of Canada, particularly with regard to the agricultural implement plants in Brantford and Hamilton. Many men now out of work would have had employment if we had not indulged in such silly talk as we heard from the lips of the Minister of Railways the other day.

I know by the genial smile and twinkling eye of the Minister of Railways that he is a son of old Erin, and like all Irishmen he loves a fight. When the Irish cannot fight anyone else they fight among themselves. I know whereof I speak, because my maternal grandfather came from Ireland, and when he landed here he still wore a bullet-proof vest, yet I think the Irish are among the most likeable and lovable people in the world. My grandfather, who came from Scotland, used to tell us that Mary Queen of Scots was taken to England from near where he lived, and executed; but he did not hold that against the English people at all; as a matter of fact on his farm in West Elgin he always had several Englishmen working. Those men had no inferiority complex at all with regard to their own country; they thought, and perhaps rightly so, that you could not add to or take away from anything in British history, yet a few centuries ago the British people cut off the head of Charles I, although he was a quiet, lovable fellow. I do not hold that against the progeny of those British people at all. I heard the deputy speaker of this house (Mr. Lavergne) condemn the Russians in a similar way, but some years ago his forebears in France rose in revolt against the thorough application of the caste system of the day, and I think if I had been there I would have been with them. They beheaded Louis XVI and Marie Antoinette, and knowing something of the fiery spirit of the deputy speaker I have no doubt he would have wielded an axe himself with considerable gusto if he had been in France at that time. Across the line our American friends at one time had a propensity for assassinating presidents, but I do not hold that against the American people. I do not think there is any other people in the world we would rather have on our southern boundary than the people of the United States. They even assassinated their great emancipator, Abraham Lincoln. I want to commend to hon. members across the way a few lines from that memorable address at Gettysburg, that great masterpiece of simple English.

> Fourscore and seven years ago, our fathers brought forth on this continent a new nation, conceived in liberty, and dedicated to the proposition that all men are created equal.

I have dealt, Mr. Speaker, with some of the civilized countries of the world, and I say that generally speaking we do not hold a grievance against any nation because in times past some group or other happened to assassinate some of the heads of that nation.

Now I should like to point out to the Minister of Trade and Commerce (Mr. Stevens) something that probably will be of interest to him. Some little time ago our Minister of Trade and Commerce was a soldier in the American army, and he went to the South Seas with a rifle and bayonet. I do not know why he needed the bayonet, because the cannibals of the South Sea islands were pretty elusive, and had to be shot on the run. But, as I say, he went to these islands with his rifle and bayonet. A few years later we find him as our Minister of Trade and Commerce, as a delegate from Canada, going to Honolulu to meet a delegate from our sister dominion of New Zealand in order to try to repair some

of the damage done by the Bennett eight cent tariff on butter. I do not think there was any warlike demonstration against him by the natives of that island because he had been there a few years before fighting their cannibalistic ancestors; in fact I believe they gave him a real welcome and decorated him with what is called the chain of peace. They even tell me that on the beach of Waikiki, where the natives dress like shredded wheat, they dedicated a song to our minister which was entitled "Honolulu Harry." So, Mr. Speaker, while that may sound rather ridiculous, it is no more ridiculous than the attack on Russia which has come from hon. gentlemen opposite.

Now I see my hon. friend the Minister of Justice is in his seat. The statement has been made that unemployment funds never have been used by this government for political purposes. I want to draw the attention of the minister to something that happened during the by-election in South Wellington. During the progress of that campaign there appeared in the newspapers an advertisement calling for tenders for the construction of a post office in the city of Guelph. Then on November 13, which was five days before the voting took place, this article appeared in the Guelph Daily Mercury:

Government Will Erect Fine Modern Structure On Quebec Street East

Official Word from Ottawa Received by P. Kerwin, K.C., To-day Are Calling for Tenders

Undertaking Will Provide Additional Work for City's Unemployed

Definite announcement was made to-day that Guelph will have a new post office and that it will be erected during the coming winter.

The official word was received by P. Kerwin, K.C., who is acting in the matter for the Department of Public Works and the Minister of Justice, the Hon. Hugh Guthrie, K.C., and the statement was also forwarded that tenders will be called for at once, with the closing date for the acceptance on these being set for December 10. The actual work on the building will be started just as soon as possible after a tender has been accepted.

Mr. Kerwin stated this morning that the prime object in the building of the new post office is to provide some relief for the unemployed men of this city and the assurance was given by officials that on the big job every possible bit of labour will be used. Men will be used to do the work instead of machinery in every possible case.

The site of the new post office is to be the property at present occupied by Daymond Bros., on Quebec street east, and the government, having taken over the ground, has notified the present occupants that they will be forced to vacate very soon.

Mr. Kerwin stated that he has been notified that the actual cost of the new post office, aside from the value of the land, will be from one hundred to one hundred and twenty-five thousand dollars. A further announcement was made to the effect that the present post office is to be put into use as the headquarters of the local customs and excise officials.

While the definite announcement of the building of the new structure has only been made, the matter has been under consideration for some time. When inquiries were first made by the government as to what work in Canada could be proceeded with to relieve unemployment, the Hon. Hugh Guthrie, K.C., considered that a post office building was needed here, and he had investigations made as to the advisability of such a procedure. The result is that the work will be carried out.

Bearing in mind that this notice appeared in the local paper five days before voting took place in connection with that by-election in South Wellington, you can judge for yourself the effect it had among the unemployed. They were told by this notice that wherever possible men would be used to do the work instead of machinery. A few days ago I had an inquiry from Guelph asking why work had not been started on the post office. I put a question on the order paper, and I found that tenders were called for in accordance with the advertisement, the closing date being December 10. I asked if anyone had authority to issue a statement of that kind on behalf of the government, and here is the reply which was given:

No one has been authorized to make any statement on behalf of the government in respect to this matter.

Here is a case, Mr. Speaker, where the powers given this government could have been used, had the government so desired, to build a post office in Guelph without requiring a vote of this parliament, but the fact of the matter is that as yet the construction of a post office in that city has not been commenced. It looks to me as though first there was a conspiracy with the Department of Public Works to call for tenders, and that then whoever inspired this article, which was given out by the former partner of the present Minister of Justice, also conspired to fool the people of South Wellington. Yet they say the unemployment funds are not being used for political purposes.

Mr. GUTHRIE: There was a vote for this post office in the estimates of last year, and furthermore the gentleman to whom my hon. friend refers is not my law partner.

Mr. HEPBURN: The firm is called Kerwin and Guthrie.

Mr. GUTHRIE: That was the firm with which my father was connected.

Mr. HEPBURN: The fact is that this notice was issued by Mr. Kerwin, who stated

he was acting for the Department of Public Works and the Minister of Justice, and it states that work will be started immediately and carried on during the winter. That notice appeared on November 13 of last year, but construction has not been commenced yet. I might also mention that the minister was there himself during the progress of the election; he had his private car spotted on the siding, but he folded his tent like the Arabs and faded quietly away when he found how the wind was blowing.

Mr. GUTHRIE: I rise to correct an error on the part of my hon. friend. He has charged that I was there and was taking part in that by-election. That statement is absolutely untrue. I went to Guelph to attend an Armistice day meeting, and left the same day to return to Ottawa. I did go up to vote. Had I been there I do not know that my hon. friend would have had so much to blow about.

Mr. HEPBURN: Well, the fact stands out that we won the election, and I think the going will be pretty hard for the Minister of Justice if he tries to get reelected himself. This indicates just what can be done if we set up a dictatorship in this country; but if we are going to have a dictator I should like to have a man of proven worth, not a man of extremes.

The Prime Minister states on the one hand that this is the best country in the world, while on the other he tries to justify his request for these unlimited powers on the ground that we are facing a great national crisis and that conditions are so bad that only such legislation as he asks for will meet the requirements of government at the present time. The right hon. gentleman has made extreme promises, and on top of all that he has said, "All these things I will do or perish in the attempt." These are the words of an extreme man. He says that he is feeding 300,000 people in Saskatchewan and he brags about it, and at the same time he is using the axe in Ottawa, so that while he is feeding all these people in Saskatchewan he is leaving others to starve here. He is a man of extremes, I say. I do not think he minds being referred to as a dictator; it rather tickles his inordinate vanity. It flatters him to be so described. Some people say that he is like Mussolini. I do not think the comparison is fair to Mussolini because after all Mussolini is accomplishing something: he is building up a national spirit in his own country—something the Prime Minister is not doing in Canada. Some of his admirers across the way have referred to him as Napoleon. Well, there is only one similarity: Napoleon practised nepotism and put his relatives on the thrones of Europe. If the Prime Minister had another brother-in-law, the Hon. Howard Ferguson's job in England as High Commissioner would not long be retained by that gentleman.

Mr. GOTT: The Liberals of Ontario ought to be proud of their leader.

Mr. HEPBURN: There is another interruption from the hon. member for South Essex—the Minister of Onions, someone says. But I can plead extenuating circumstances for the hon. gentleman because he comes from a riding in which there is located Jack Miner's famous wild goose sanctuary.

An hon. MEMBER: Pouliot told you that.

Mr. HEPBURN: He is living among queer birds and he cannot get away from their influence. We have been interrupted so many times, Mr. Speaker, that I think it would be well to take up a collection and supply you with some insect powder to spray the hon. gentlemen with. The next time the hon. member interrupts us, let him have some of it. It will be justifiable homicide.

Mr. GOTT: Mr. Speaker—

Some hon. MEMBERS: Sit down.

Mr. GOTT: I want to say to the hon. gentleman that one of the Prime Minister's passing thoughts would give him a headache.

Mr. HEPBURN: I assure the hon. gentleman that if he had a headache it would get lonesome.

The only great autocrat in history that I can find, with whom I can fittingly compare the Prime Minister, is Nero. Nero had all the powers the Prime Minister is asking parliament to give him; yet he was a poor administrator. In fact, he ruined the civilization of his day. It is said that he fiddled while Rome burned, and we have the same situation in this country. The Prime Minister is trying one expedient after another, while debts and taxation are increasing and unemployment is getting worse, trade falling off, and commodity prices have fallen to the lowest level it has reached in the present decade.

Mr. GORDON: And you are doing the fiddling.

Mr. HEPBURN: Hon. gentlemen opposite can sit with a smirk on their faces now, but they are humble when they get back to their own concessions. They are not so enthusiastic when they explain to their people the record

of this government. That brings to my mind an article I have here with reference to a speech delivered by the hon. member for Toronto Northeast (Mr. Baker). The hon. member was addressing Ward 9 Conservative Association in Toronto, with reference to the situation in this house—the hon. member for South Essex will have that spray gun turned on him if he does not keep quiet. This is what my hon. friend said:

"But, generally," he amended, "Mr. Bennett would stand it as long as he could, and then —would he go for them? And would they get it?"

Referring to the opposition.

Mr. MacNICOL: Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. MacNICOL: I understood the hon. member to say that he was quoting the member for Toronto Northwest.

Mr. HEPBURN: Toronto Northeast.

Mr. MacNICOL: Pardon me.

Mr. HEPBURN: I do not blame any man for trying to get from under this kind of rubbish; I fully appreciate the hon. gentleman's feelings in this matter. According to the report, the hon. member for Toronto Northeast continued:

"He never lost his temper, mind you, but sometimes when his patience was stung to the limit he would start after them. Gentlemen, it was a treat of a lifetime to see the Hon. R. B. Bennett give it to them. And he generally closed the question. They didn't have much to say after he got through with them. For there isn't a man in that house knows the ins and outs of every question the way he does. When he summed up a situation there just wasn't anything left to say."

Mr. BAKER: I have the honour to be the member for Toronto Northeast, and I should like to know when and where that was said.

Mr. HEPBURN: The heading reads:

Ward Nine Tories held first meeting of the season.

Richard L. Baker, M.P., and Coulter McLean, M.P.P. are strong for leaders.

That appears under date October 15, 1931, in The Herald, North Toronto's Own Weekly.

Mr. BAKER: I deny the accuracy of the statement.

Mr. HEPBURN: Well, the only point I want to make in regard to this very illuminating and interesting and elevating address is with respect to the concluding sentence:

When he summed up a situation there just wasn't anything left to say.

[Mr. Hepburn.]

That applies very well to hon. members across the way, because they dare not say anything after the Prime Minister has summed up a situation. I want to say to the right hon. gentleman that we on this side are not going to be bullied or browbeaten or intimidated by him or any other hon. gentleman there.

Now, Mr. Speaker, a further reason why I do not like to delegate all these powers to the present executive is that I do not think their policies are applicable to the best interests of the country. After all, this country has an ever-increasing exportable surplus, and its future development and prosperity depend upon an expansive trade policy and not a policy of trade restriction such as is in force at the present time. The government's policy is becoming more drastic all the time and the only thing left for the Prime Minister to do is to order the guns of Quebec to fire on trading vessels coming up the St. Lawrence, or to bring back our wandering navy and station it at Vancouver island to attack any trading ships coming up the Pacific coast. Probably hon. members opposite think I am a little bit bitter in my condemnation of the government.

Some hon. MEMBERS: Oh, no.

Mr. HEPBURN: But let me say that in the back concessions the people are actually suffering to-day as a result of the application of the present government's policies. There is real suffering among these people and I sympathize with them; and I lay the whole blame on the Tory element, not only in this country but in every other country. But we in this country particularly had a glaring example of the application of Tory policies at the special session of the Canadian parliament held in September, 1930. In 1928 we had in this house the report of an economic commission which had investigated conditions in our sister dominion of Australia. There they were just a little ahead of us in the application of the same kind of policy we have adopted. They put into effect a forty per cent tariff, thus serving to stimulate falsely the industries of that country, and increasing the cost of production to the basic producer. The farmer of Australia, the real wealth-producer, could not get a corresponding increase in price for his wheat or butter or anything he had to sell, although he had to pay more in cost of production. So that in the great struggle for world markets the basic producers were actually put out of business there. Industries falsely bolstered up could not be maintained, with the result that there was chaos; and then

the basic producers, who were suffering most of all as a result of that policy, applied to the government. The government in the second of the three stages leading to bankruptcy started to subsidize. The first stage was high tariffs; the second stage was subsidies. Then when the people started to feed out of the public treasury they found that they could not stand the taxation any longer, and the whole financial structure of Australia collapsed, and collapsed as a result of the application of the very same policies which were put into effect by hon. gentlemen opposite in the special session of 1930.

In the United States we had a very similar situation. Notwithstanding the glaring example of what had occurred in Australia, President Hoover, for his own aggrandizement, went up and down the country promising the basic producers increased prices for their products if they would but vote for his high tariff policy. He put that policy into effect, increased the tariff on 1,100 articles of trade, but that did not help the basic producers of that country in any way. The basic producer is not getting any more for his products, which are sold in competition with other countries. The wheat grower is not getting any more, the cotton grower is not getting any more, the dairy producer is not getting any more for his products, but the basic producer did lose in this respect, that he had to stand increased production costs, and on the other hand the markets in which he might have sold his products were closed to him as the result of the policies put into effect by President Hoover. There was the second stage.

After high tariffs, you found subsidies applied. Then the government was confronted with the people clamouring for President Hoover to redeem his promises, and the only thing left to do was for President Hoover to appropriate money out of the treasury, which he did to the amount of $500,000,000, and he put this huge revolving farm loan fund into the hands of a board created by himself. This board tried by unsound economic measures to buy wheat off the market, to buy dairy products off the market, and to buy cotton off the market, in order falsely to stimulate the price. But that did not help the basic producers. After this $500,000,000 revolving fund had been appropriated by President Hoover, the basic producers, to their disillusionment, saw the prices of their products go to the lowest level known in the history of the United States, and now these same producers have to stand additional taxation to meet the deficit created by such a policy. There in the United States, as well as in Australia, you see first of all high tariffs, then the demand for subsidies, then a huge deficit, and in the end there will be bankruptcy over there unless their policy is changed. So I say that we had these examples before us of a thorough application of such a policy in the United States and of a thorough application of such a policy in Australia, and yet hon. gentlemen opposite, for their own aggrandizement, adopted this false doctrine which they knew was not applicable to the needs of this country. The events which have transpired since they adopted such a policy have proved beyond a shadow of a doubt that what I say is absolutely true.

Are we fundamentally tackling any of the great problems before us in this country? Certainly not. We are simply resorting to expedients. Is there any justification for a five cent bonus on wheat? It is just a sop to the western wheat farmers. The tariff policy of this government has cost the western wheat farmers $200,000,000, yearly, and then as a sop the government throw to them a bonus of five cents a bushel on wheat.

We had a debate on wool in this house the other day, and hon. gentlemen opposite supported a tariff on wool. That is an unsound policy, because we are now exporting more of the wool produced in Canada than our domestic market can consume.

Some hon. MEMBERS Oh, oh.

Mr. HEPBURN That is quite true. Because of climatic conditions we are able to produce in this country only a coarse grade of wool which is not suitable for use in the manufacture of the finer grades of woollen goods. We have to import the wool for these finer grades from Australia, New Zealand and other countries, and we export the surplus of the low grade wool produced in Canada. A tariff on wool will have no beneficial effect. The only effect will be to increase the cost of a class of wool not produced in Canada, and that cost will be passed on to the consumers in this country.

We had another resolution presented to the house asking for a bonus for the beet sugar industry. We have never had as much sugar in the history of the world as we have to-day, and yet we in this country are asked to tax ourselves to stimulate the production of a product which is to-day glutting the markets of the world.

Mr. SPEAKER The hon. member's time has expired.

Mr. J. A. MERCIER (Laurier-Outremont): At this stage of the discussion, Mr. Speaker, it must be evident to everyone that it is difficult to bring forward any new arguments or to say anything that has not already been said since the Prime Minister brought down that innocent looking little resolution on the 8th of March last, reading as follows:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

If I venture to take part in this debate it is only because the electors of my division might otherwise think that my silence meant that I approved of this resolution, the effect of which is to upset the fundamental principles of our parliamentary institutions and relegate them to the dump heap of uselessness.

Mr. SPEAKER: Order.

Mr. MERCIER (Laurier-Outremont): As some of the electors of my division may not be aware of the situation which presents itself before the house to-day, I should like to make a few brief remarks.

Mr. MACKENZIE KING: I wish, Mr. Speaker, you would kindly rule that we have better order. We cannot even hear the speakers on this side.

Mr. MERCIER (Laurier-Outremont): I would like in a few words and in a simple manner to sum up what has been said in this debate. I do not intend to guillotine any crowned heads, to shoot any cannibals in the back, or to eat any Russians. The question raised by the opposition is a constitutional issue. It is whether parliament shall be supreme over the expenditure of public moneys, or whether the governor in council shall be given while parliament is sitting the powers which the government possesses during the recess, powers which expired on March 1, nearly a month after the opening of parliament, and which the government seeks to have continued until May 1.

The right hon. leader of the government (Mr. Bennett), in introducing this resolution, admitted his reluctance from a constitutional standpoint to ask for a continuance of the powers he sought. He expressed himself as follows:

I am reluctant, in the constitutional sense, to ask for the continuance of these powers; I am not reluctant on any other ground. And if I knew of any other method which I believed would accomplish the end we have in view, of assisting in the fair discharge of our obligations, I would not ask this. But after the most careful thought that I have been able to give to the subject—and I will welcome any suggestions that others may offer towards the solution of the problem—I know of no way, except by this method, whereby we can assist the provinces and supplement the work they have to undertake, and at the same time have ready at all times the executive power which would enable us, if the occasion arose, to deal with the situation on a competent basis.

The Prime Minister further stated that his government were confronted with a serious situation, and the question they had to consider was how that serious situation was to be met, whether by a supply bill, as suggested by the right hon. leader of the opposition (Mr. Mackenzie King), or in the manner proposed by the right hon. the Prime Minister, namely, by extending the provisions of the Unemployment and Farm Relief Act of 1931 for a further period of two months until May 1. The Prime Minister had this to say:

I think it is fairly obvious to those who have followed me that to ask for any particular sum of money at this time in the form of a supply bill with the usual limitations that are imposed upon such measures would not meet the situation. In our judgment at any rate, having regard to our experience, it would not. Parliament is in session, parliament has the fullest opportunity to consider and criticize and deal with every step the administration takes. I am not lacking either in sympathy or respect for the views that were so strongly urged last session, and doubtless will be again urged, against our taking the course which I am asking the house to permit us to take, namely, to declare that the provisions of the Unemployment and Farm Relief Act of 1931 shall continue for a further period of two months. I do that, you may say, with some reluctance, but I do it because I believe it is the only method having regard to the necessity for elastic provisions to deal with complex problems promptly. But I do sympathize with the views expressed in a few words yesterday by the right hon. leader of the opposition, and so I suggest to this house that we frame and add to the single section of the bill which makes the provisions of the statute of 1931 applicable for another two months, a provision whereby every order in council that is approved by the Governor General shall be laid upon the table of this house at the next sitting following its passing. That, of course, would be the next day, if the house were in session. I cannot but think, having regard to the gravity of the situation and the difficulty of dealing with it by any hard and fast rule, that this chamber will confer these powers upon this government. I would not deprive this parliament of its right to criticize freely and, if it thought desirable, destroy this administration for the improper discharge of its obligations, but I can conceive of no way in which this house can have larger powers conferred upon it than by the method I have suggested, so that in every instance it might have the fullest opportunity of dealing with these matters.

The answer is, of course, that it is done before the opportunity is afforded to criticize.

The right hon. gentleman gave no intimation to the house as to what might happen

after the first of May. He does not say how much he will take, how much he will expend, what appropriations he will make. He wants simply to draw once more on the blank cheque given to him at the last session. He asks for an additional two months during which he will spend whatever money he sees fit without stating what that amount is to be. The Prime Minister says that he knows of no other solution of the problem than this extension of the act, and that he would welcome any suggestions that others might offer. The leader of the opposition (Mr. Mackenzie King) offered two suggestions as to a constitutional solution of the problem when he expressed himself as follows:

My right hon. friend—

Speaking of the Prime Minister.

—spoke, next, of the province of Saskatchewan, and he dealt with what he described as the admirable manner in which relief had been administered in that province. He stressed the splendid service which had been given by the unemployment relief commission, and he drew the attention of the house to the fact that the federal government made its contribution to the province by means of a cheque payable to the unemployment relief commission. He stated that this commission had carried out the work of unemployment relief in cooperation with the province and the municipalities, in addition to what was being achieved by voluntary cooperation, and that it had used all the safeguards which it could in the matter of protecting public expenditure.

If an unemployment relief commission has worked so successfully in one province in connection with the expenditure of public moneys for relief, why has not my right hon. friend adopted, before this, the suggestion which has been made over and over again from this side of the house of having an unemployment relief commission deal after the same manner with dominion unemployment relief? Instead of giving to the governor in council the power to spend money at its will without consultation even with parliament, why are we not doing what was done in Saskatchewan, particularly when the example has so much to commend it as the Prime Minister says it has? I say to my right hon. friend that even now he should adopt that course, notwithstanding the fact that he has not adopted it up to the present time.

With the example of Saskatchewan before him, instead of coming and asking this parliament to give to the government the power, by order in council, to grant unemployment relief and relief for distress in rural areas, my right hon. friend should establish immediately an unemployment relief commission, composed, as I stated the other day, of representatives of the different economic interests involved. This commission should be given the power to do what may be necessary and this parliament should make its cheque payable, through the executive, to the relief commission, which would transmit to parliament with a full statement of the manner in which the money has been expended. I say that it is no longer defensible to ask parliament to vote further sums to the governor in council when, out of the lips of the Prime Minister himself, we have the declaration that unemployment relief has been better administered under a relief commission in Saskatchewan than has been the case elsewhere.

That is one suggestion offered by my right hon. leader. Here is another he made when he protested against the resolution in the form in which it is presented:

In saying that, let me make this perfectly clear. I am not raising this objection as a merely technical one. I am raising it, as I have said, because I feel that the precedents which are established in this house are all-important, and that members of the House of Commons incur a very grave responsibility in countenancing precedents which should not be set. To make clear that this exception is not being taken on merely technical grounds; that we are not trying to obstruct the voting of any moneys which may be necessary in order to give the provinces the needed loans that my right hon. friend says he now proposes to give them, let them say again as I said yesterday: If my right hon. friend will drop the resolution which is now before us and ask his Minister of Finance (Mr. Rhodes) to come to the house this evening with a supply bill indicating the amount of money which the administration feels it will be necessary to have in order to meet the situation between now and the first of May, or the period during which parliament may be in session, if he will take that course, and move that the rules be suspended so that such a supply bill can be speedily passed through the house and sent over to the Senate, we of the opposition will cordially join with the government in agreeing to the suspension of the rules, and will seek to expedite the passage of such a measure through the house to-day. I make an urgent appeal to my right hon. friend—who as Prime Minister surely has an appreciation of the responsibility involved in the setting of a precedent, who surely venerates British parliamentary institutions and would like to have them upheld—I appeal to him at this time not to be responsible for a controversy in this house over the method of doing something which all of us, regardless of the parties to which we belong, are prepared to assist the government in doing and say should be done, particularly when the controversy relates only to the taking of a right course, and the avoidance of a course which hitherto has not been taken in this parliament, and cannot be countenanced under constitutional practice and procedure, as we have sought to uphold them.

Mr. MACKENZIE KING: What is the date of that?

Mr. MERCIER (Laurier-Outremont): I do not know the date, but those remarks were made by the leader of the opposition in answer to the speech made by the Prime Minister.

Mr. GOTT: Doesn't the right hon. gentleman remember making that statement?

Mr. MERCIER (Laurier-Outremont): I believe the date was March 8.

An hon. MEMBER: What year?

Mr. MERCIER (Laurier-Outremont): Then, later in his speech the right hon. leader of the opposition offered this further suggestion:

Why should any power be given to the government to do by order in council what can be done in the regular way by parliamentary enactment? We cannot permit a step of that kind to be taken, if it is at all possible to prevent it. We do not wish to obstruct the government in any legislation they may have in mind. We do not wish to add an hour's delay to their obtaining any sum of money that they may consider necessary to meet existing needs; but we cannot countenance a step which means giving the government power to do by order in council, while parliament is in session, the thing which parliament itself alone should do. It is an indignity to parliament itself that any such power should be asked for.

On Tuesday the Minister of Trade and Commerce (Mr. Stevens) made an appeal in a well prepared and well presented speech. I thought, however, that the fiery delivery which usually characterizes the speeches of the hon. gentleman was missing. I do not know whether his lack of fire could be attributed to the responsibility of holding office or to the fact that he knew he was defending a weak cause. During the course of the minister's remarks he said:

I am reminded that at the moment the fundamental issue here is the relief of the people and the bettering of conditions with which we are confronted to-day.

Then the leader of the opposition interrupted as follows:

And I might add the immediate relief, which can be given at once if the government will bring in a supply bill this afternoon.

Hon. members on this side of the house are not offering captious opposition of the resolution. In his speech the Prime Minister made the suggestion that he was reluctant to take the course he is taking, and remarked that if any suggestions were made to him whereby he could deal with the situation in a purely constitutional manner, he would accept them. Sir, we have offered suggestions to the government, and we appeal to them not to ignore the rights of parliament, not to discard our parliamentary procedure, as they are doing in this case and have done in others. Canada is confronted with a serious problem. Hon. members in this house are trying to do what they can for the betterment of conditions. Hon. members on this side are sincere in their desire to do what they can to end the suffering of the Canadian people, and it seems to me that when the opposition offers helpful suggestions, the government should accept them, even if they come from the opposition benches. By such acceptance they would prove their sincere desire to bring to an end the distressing situation in which Canada finds itself to-day.

Mr. LUCIEN DUBOIS (Nicolet) (Translation): Mr. Speaker, I am pleased to rise in my turn to protest against the resolution actually before the house. This resolution constitutes a challenge to the dignity of the deputation, Conservative as well as Liberal, Progressive or Labour and Independent. I wish to make my position absolutely clear at the outset. With the right hon. leader of the opposition (Mr. Mackenzie King), with all my Liberal colleagues and all the right-thinking men in this house, I am prepared to vote the amount the government will request, determine and advise us is requisite to meet the needs of the present crisis. I am ready to vote in favour of a measure involving an expenditure of twenty-five millions, fifty millions, even one hundred millions, if need be, on condition that the government proves to us these expenditures are necessary. But to vote in favour of a resolution such as that we are presently debating, never!

I want to register the sharpest possible protest against this measure, in the first place because it is ineffective, and secondly, because it is what I call a sacrilegious encroachment on what we hold dearest, namely: constitutional government, responsible government.

One must admit that few really practical means have been taken to cope with the economic crisis, principally unemployment, since the present government is in power. At the special session held in September, 1930, the government had a sum of $20,000,000 voted to aid the unemployed and give them work. In order to secure their share of this sum which the government made available, the provincial governments and municipalities were required to carry out works that could certainly have been postponed until such time when they could be more readily undertaken at a lesser cost to the taxpayers.

What is the result of the policy which the government extolled in September, 1930? The provincial governments and municipalities were driven into debt and no great advantage accrued to the unemployed.

In July, 1931, in order to throw dust into the eyes of the people and the group of citizens known as the unemployed, the right hon. Prime Minister (Mr. Bennett) induced his slavish majority to vest him with the plenitude of power and hand him a blank cheque, authorizing him to spend whatever sums of money he deemed necessary to end unemployment, to relieve the agricultural class and

to maintain order and good government in this country. It was a case of securing a temporary dictatorship and nothing else! Under the terms of this bill, the government will be free to propose and apply by order in council any remedies of its own choosing in order to alleviate distress among the Canadian people. Armed with this legislative authority and supported by this expression of confidence on the part of its followers, the government will do all in its power to help the workers and the farmers. The law embodied in chapter 58 of the statutes confers certain powers on the government with respect to the relief of unemployment, the helping of agriculture and the maintenance of peace. On October 19, 1931, the government passed an order in council banning gold exports. To relieve unemployment, to help agriculture, the government passed another order in council on October 27, 1931, amending the Bank Act. Some time later, we have a further order in council amending the Insurance Act. And again, always in accord with Bill 58, to relieve unemployment, help agriculture and maintain peace and order, on December 16, 1931, the government passed an order in council whereby 300 men were added to the police force and the expenses of the country increased by $274,435. We have in a nutshell what was done with the wide authority secured at the 1931 session. And we would refrain from stating this constitutes an abuse of power? And the Liberals would be doing wrong in opposing this measure?

Let us go on: under the terms of Bill 58, the federal government authorized public works involving an outlay of $70,000,000 with respect to which it contributed its proportional and agreed share of 25 per cent. Then, in order to convince the people, to convince itself of the efficacy of the remedies applied, this same government comes forward at the present session and from the lips of its Minister of Labour (Mr. Gordon) tells us emphatically that in the course of the year 1931 and by reason of the above-mentioned dictatorship some 300,000 people were employed and given 6,917,000 days of work at a cost of $70,000,000 to the treasury. These gentlemen remind me of the individual with a Gascon temperament who folded his bills in two and added the figures at both ends to convince himself he was rich. 6,917,000 days of work—close to 7,000,000 days—$70,000,000 of public money expended, that really amounts in round figures to an average expenditure of $10 per work day. The labourer's average wage being $3 a day, can the government tell us what happened to the $7 that makes up the difference or who secured the benefit of that amount? The workingman received three dollars out of every ten dollars disbursed. Where did the seven other dollars go?

Mr. POULIOT (Translation): They bought cement in my part of the country.

Mr. DUBOIS (Translation): Was this money distributed in expropriation costs, in benefits to the manufacturers supplying material?—

Mr. FAFARD (Translation): They are so untruthful!

Mr. DUBOIS (Translation): —or again did the money go to the merchants dealing in implements?

What splendid aid to the unemployed! Of every ten dollars expended, three dollars go to the workers and the seven other dollars we know not where. What an effective means to end unemployment! I would like to speak less harshly of the government but I can feel no admiration for those who after securing a mandate under false representations treat the suffering people with such haughtiness and impudence.

Figures convey something to me, and I am using the information of the hon. minister of Labour for my figuring. Mr. Speaker, are we not justified in opposing the present resolution, when after an almost two year tenure under a Conservative administration that promised to remedy everything we observe that the unemployment problem remains unsolved, the country is in debt, certain provinces are in a bad way financially and a number of municipalities are almost bankrupt?

And we would grant the Prime Minister an extension of power to continue this poor job? If parliament was about to prorogue, there would be a semblance of reason to warrant the present resolution, a measure designed to instil a little life into Bill No. 58 which died of old age on March 1. But parliament is in session. All of us delegated here by the people and assembled for the purpose of discussing legislative measures and seeing that public funds are administered in a business-like manner, we would abdicate our powers, we would betray the people and hand over our responsibilities to an incompetent administration! Never. We are ready to co-operate with the government in remedying the present situation, and if, to achieve that end, as I stated at the outset, he requires 25, 50 or 100 million dollars, we are prepared to grant him that sum. Let him set whatever sum he chooses, let him prove to us that this sum is necessary to relieve the present crisis, and we will vote the money required inside

of twenty-four hours. But to surrender the people's rights, never! Giving a blank cheque to the Prime Minister would be tantamount to an admission of incompetence on our part and it would ill behoove us to remain here any longer.

The Prime Minister realizes the gravity of the situation and seeks to enlist the support of all men of good will. We are assembled here for that purpose. Parliament is convened with no other objective. What more does he want?

I also protest against the present resolution because it is ultra vires and unconstitutional. More eloquent speakers, greater authorities on the subject than I am, have discussed the issue with marvelous thoroughness. I will not tarry any further over the legality of the present resolution but I protest against its adoption because it implies an unpardonable encroachment on what we hold dearest, I mean responsible government. Some honourable members are unwilling to face the constitutional point raised in the course of the debate. Some honourable members who enjoy a certain repute outside the precincts of this chamber have steered clear of the constitutional aspect when discussing this resolution. The hon. Minister of Trade and Commerce (Mr. Stevens) who stood up in this house also evaded the question. Yet, he is lacking neither in intelligence nor knowledge. He even went further and ventured to assert that the Liberals were equally responsible for the blank cheque which parliament gave the hon. Prime Minister in July, 1931. Do they imagine they can disabuse the people?? Do they believe our electors are so lacking in intelligence as to be unaware that a law adopted by the Commons always secures the support of a majority? When the majority is Conservative and the blank cheque is secured under a Conservative régime, the Conservatives alone are to be held responsible for this measure.

The honourable member for Dorchester (Mr. Gagnon) also discussed the resolution but he did not touch upon the constitutional aspect of the question.

Mr. POULIOT (Translation): Hear, hear.

Mr. DUBOIS (Translation): He also evaded the issue and when he delivered his speech we thought a provincial election campaign was in full swing. They say he is a brilliant lawyer. Qualities are ascribed to him and he is reported to be a man of some worth. Yet, he practically avoids the question in the course of a speech that takes up nine columns of Hansard. He devotes four columns and a half to the election in Three-Rivers, and a column and a half to disparage the premier of our province, Mr. Taschereau.

Mr. POULIOT (Translation): Shame, shame!

Mr. DUBOIS (Translation): In one column he applies himself to the task of hurling darts at the former Minister of Justice, the honourable member for Quebec-East (Mr. Lapointe). He takes up a column and a half speaking of the benefits of the 1930 enactment and in a half-column he tries to convince us that all the young people of to-day are imbued with Conservative ideals, that they greatly admire Bennett, that they think of him only, that they are ever dreaming of him, and that they hope to some day have the opportunity of banding together in the province of Quebec and giving assent to his policies. The honourable member who took up part of his time criticizing the former Minister of Justice must be well aware if he is proud to-day to live in this country which shook off the colonial yoke, he is indebted to my leader and the former Minister of Justice. The honourable member must know that if the government has the power of signing treaties to-day in the name of Canada he owes it to my leader and the former Minister of Justice. The honourable member should know if Canada now has representatives in Washington, Paris and Tokyo we owe it to the honourable leader of the opposition and the hon. member for Quebec East.

Instead of discussing the question and trying to prove this resolution is really constitutional, he preferred wandering far afield. Instead of trying to prove the honourable member for Quebec-East was in error when he stated this measure was unconstitutional, the honourable member for Dorchester preferred discussing petty politics probably with the object of securing certain favours. Instead of respecting those who truly served their country he preferred playing the part of a Félix Poutré. Others who are always content to play second fiddle seem happy and feel honoured in surrendering their responsibilities and the people's rights into the hands of their cherished leader. As for the honourable member for Quebec-Montmorency (Mr. Dorion), if he chooses to sell his birthright for a mess of potage, he is free to do so; but we who are accustomed to walk with our heads erect, and to see beyond the feed trough those fruitful doctrines that safeguard our rights cannot approve of his abdication.

This resolution seems insignificant if one merely considers its immediate object which is to substitute the word May for the word

March; but it really implies an extension of legislative power which deprives us of our prerogatives and our right of deliberation.

You can sense the danger, Mr. Speaker. In 1932, they already avail themselves of the precedent of 1931, and if we were to grant to-day the two months' extension as requested, how could we refuse to-morrow a four months' extension, or again refuse an eight months' extension, or even a twelve months' extension. Thus it happens that the removal of one stone from the foundation causes the fall of another stone, of four, of ten other stones, and finally the building itself collapses. As precedents always end by becoming laws, the adoption of the measure now before the house would show the way to even more dangerous requests. What accounts for this thirst after absolute authority on the part of the Prime Minister? Why this desire to legislate as he likes? Under cover of Bill No. 58 adopted to provide unemployment and farm relief, the government deemed fit to pass orders in council banning the export of gold, amending the Bank Act, amending the Insurance Act, increasing the Mounted Police establishment by 300 men and adding thereby $274,435 to the expenses of the country. Let us suppose for a minute that we are going to vote in favour of this resolution, and the thought occurs to-morrow to the Prime Minister that in order to relieve unemployment, help agriculture and maintain order in the country, it is necessary to pass an order in council enjoining or favouring the fusion of our two great railways! . . . . I will carry the point further: everybody is aware that grave questions loom on the horizon at this stage. If in order to relieve unemployment, help agriculture and maintain order and peace, the Prime Minister believes an order in council should be passed ordering the carrying out of the St. Lawrence deep waterway, what could we say by way of a reply?

Under cover of the bill which we are now asked to extend, various orders in council providing for the expenditure of public funds have been passed, when, as a matter of fact, we are delegated here by our respective constituencies to see that the people's money is properly administered, to see that the laws conform to the people's needs, and to keep a watchful eye over those matters that relate to the public interest. The Right Honourable Prime Minister who knows the value and force of precedents could, following the granting of the present request, ask us to grant a second, possibly a third extension of power, and thus exercise a complete dictatorship during his full term of office. And we would have no cause to be distrustful; we would have no cause to offer opposition. I ask myself, can we, in order to please a potentate about whom there is no touch of chivalry, abdicate our most noble responsibilities and surrender our most sacred rights? Can we, simply in order to please the leader of a party never sated with authority, sacrifice on the altar of autocracy the prerogatives that devolve upon us as representatives of the people? Can we, to avoid being taxed with political partisanship or ill-will, surrender to a papier-mâché dictatorship that which belongs not to us but to our constituents; I refer to the guarantee of exclusive legislative authority conferred on the Canadian Parliament. Can we sacrifice these things without giving some thought to the matter simply to please our friends opposite? No, never; we shall never do it. I protest with every ounce of energy at my command and with the full force that the rights of 30,000 British subjects in my riding represent against this unconstitutional measure which violates section 91 of the British North America Act.

One had to live in the twentieth century, Mr. Speaker, to hear a government propose such audacious measures. And to think that our forefathers should have fought for years and years to secure this legislative power. Our forefathers would shed their blood in seeking an objective that did them credit? Our forefathers would appeal to the broad-mindedness of English statesmanship and receive this legislative régime in token of their devotion to Great-Britain? Our forefathers would by word of mouth, the use of the sword and innumerable sacrifices offered up for the sake of future generations, establish their claim to freedom only to see their cowardly grandsons hand over to a sham dictator the fruits of so many struggles? No, Nicolet county will never lend itself to these tactics!

Were it possible for the right honourable prime minister and his followers to relent in the face of all these arguments! But they will not relent. The honourable member for Quebec East ably proved in the light of constitutional law that this resolution was utterly arbitrary. The prime minister did not unbend. Held fast, like a prey in the tentacles of some giant octopus, by the very apt and cogent speech of the honourable member for Ottawa (Mr. Chevrier) he did not flinch. He was still unmoved in the face of the sarcasm and satire so cleverly dispensed by the honourable member for Labelle (Mr. Bourassa). I do believe, were we to crush him under the weight of all the arguments we could marshall after poring over all the books in the library, he would still persist in his stub-

bornness to put this measure through and claim this dictatorship. If one could at least ascribe the quality of courage to this attitude. I have tried to understand this mentality, to grasp this state of mind. I resorted to what little psychological knowledge I possess and I failed. I even perused La Bruyere's "Les Caractères" in the hope of finding the prime minister's double, and I met with no greater success. I had to go far back into antiquity .. ..I had to search among the fossil characters to find the prime minister's counterpart. I went as far back as Plato and Aristotle and I ran across an individual by the name of Theophrastus who in one of his works entitled "Les Caractères" gives us a very accurate portrayal of the present prime minister. Here is what he says with reference to the great men of a certain republic:

> The ruling passion of those holding the first places in a popular state is not the desire for gain nor the accretion of their income, but an impatience to aggrandize themselves and to set up for their benefit, were it possible, a sovereign power above and beyond that of the people. If a man of this type called a meeting to consider whom among the citizens he would commission to help the first magistrate in the management of some festival or spectacle, this ambitious man whom I have just described stands up, demands the position and protests no other person can discharge the duties of the office quite as well. He does not approve the domination of the many, and of all Homer's verses he remembers this line only:
>
> "Nations are happy when only one man governs them."

During the 1930 campaign, we saw our opponents going up and down our respective ridings telling the electors: "Do you want prosperity? Do you want to be happy? Vote for the Honourable R. B. Bennett." They distributed the honourable prime minister's photograph with these lines appended: "If butter does not sell, if the land is becoming impoverished, if there are unemployed, if factories close their doors, the Liberal government is to blame. Do you want prosperity, do you want work, do you want to see the price of butter increase? Vote for the Honourable R. B. Bennett." And inscribed below were these words: "People, this is your master." Citizens of Canada, the prime minister told them through his acolytes, if you want to be happy, vote for me, because the people will be happy when I alone govern them.

He alleged the same reasons when demanding a blank cheque in 1931: I cannot administer the country hand in hand with the opposition, he was wont to say. Give me a blank cheque so that I alone may govern. Give me a blank cheque, and I am convinced

the people of Canada will be happy when I hold sway. One feels tempted to call his actions hallucinations. We will not do so in this chamber, but the people on the outside have weighed his actions and they impatiently bide their time until opportunity offers to take their revenge.

The honourable members to the right have accused us of not offering any constructive suggestions. The honourable member for Vancouver Centre (Mr. Mackenzie) confuted this specious charge this afternoon. With the honourable member for Nipissing (Mr. Hurtubise) I suggest to the present government just as I suggested last year when I spoke on the address in reply to the speech from the throne, that it should do all in its power to encourage the establishing of industries and the return to the land. Why spend millions and millions on works that provide the workers with a mere pittance? Could these seventy millions of public funds not have been used to encourage the return to the land? With these seventy millions the government could have given a home and shelter to at least 350,000 citizens. How many people are there living in our cities to-day who, attracted by the lure of easy gain abandoned their farms, and who would be willing now to return to the land but are unable to do so? Why does the federal government not come forward with a generous measure of assistance to the provincial governments in order to enable these people and their families to return to these farms for which they experience a feeling of homesickness? Who can gainsay that the land breeds morality? Who can gainsay that the land is the most favourable environment for the development of civic virtues, virtues that are the warp and woof of strong races? Can one ignore the fact that the land constitutes the soundest capital? How many of our people would be happy to return to the land? All might not remain, but a large number would be proud to renew acquaintance with the wholesome soil which, when one loves it, when we give it our hearts and offer it the use of our arms, when we lean lovingly over it, is never ungrateful and returns a hundredfold what we give it. With the object of recalling the matter to mind and in order to convince the government the return to the land is a sound policy, that the expenditure of millions in furtherance of the return to the land is a good investment for the country, I will quote a few observations made by a Catholic priest who was a leader in the agricultural settlement of the country.

Landed capital is the most stable producer of real wealth. It goes its way unshaken by stock market upheavals. One might liken it to the ocean liner riding the storm which small craft could not weather. Landed capital is the most stable and fixed capital; it is the only truly stable capital.

Industry is the airplane that soars above the clouds but whose fall involves a complete loss.

The land is the plough moving along gently but incapable of sustaining any fall.

If we settle our sons on the land, we will develop a generation that will be an honour to us, that will be an honour to the race. In the years to come, when their eyes rest again on their little valleys, homes and fields, they will be able to repeat the lines which we speak when we again set foot on our farms:

Que j'ai de joie à vous revoir, ô paysage!
De quel regard d'amour j'enveloppe, ô sommets,
Votre forme rustique et votre humble visage
Qui malgré les antans, ne vieillissent jamais!...

Mr. PAUL MERCIER (St. Henri): Mr. Speaker, I had no intention of speaking to-day, but after looking over the house and observing that to-day is March 17, St. Patrick's Day, and therefore a day for speeches, I am going to say a word. I am glad to offer my congratulations to hon. members on both sides of the house who are observing this as a national day of celebration. St. Patrick was a good saint and a great protector; I am told he belonged to no party at all and never entered politics, and therefore he is always blessing good Irishmen all over the world.

Speaking of St. Patrick reminds me of a man in provincial politics in Quebec of whom we have heard a good deal in the last week or so. I refer to Hon. Mr. Dillon, who was in charge of a bill which passed the Quebec legislature last session. I see my good friend from Compton (Mr. Gobeil) in the house. He made quite a long speech yesterday about Mr. Dillon and his bill, but that must be a sound law—

Some hon. MEMBERS: Oh, oh.

Mr. MERCIER (St. Henri): Just a moment. I also see my good friend from Chateauguay-Huntingdon (Mr. Moore), who is also a worthy Irishman. This must have been good law, because it was introduced by an Irishman, and when it left the legislative assembly and went to the council it was sponsored by Hon. Mr. Bryson, another able Irishman, and was seconded by Mr. Kelly, still another reputable Irishman. Then, after it was passed, it was duly sanctioned by still another very brilliant Irishman, the lieutenant governor of the province of Quebec, Hon. H. G. Carroll.

That law has helped many elected candidates, and they were not all Liberals. I know that for one it helped Mr. Bertrand, who is now a Conservative member of the legislative assembly for Saint-Sauveur. His election was contested and because of that law he now represents that constituency. Ask Mr. Bertrand if he does not bless that law to-day; he knows it gave him the chance to sit in the provincial house as a Conservative member. To meet the argument advanced by my hon. friend opposite let us imagine that the Liberal party, after the last dominion election had contested one hundred seats in the house. Of course that is absurd, but by making a comparison it is easier to understand the fact. It would have been an intolerable thing if we had taken that action; perhaps an order in council would have been passed by the present government, declaring the petition null and void. But we saw the spectacle in the province of Quebec of 55 seats being contested, some of them having been won by majorities ranging from 500 to 1,500, as was the case in my own county of St. Henri. Of course when we look at a thing through a binocular it always seems greater than when we look at it through a microscope; in the latter case it seems very small.

During the course of this debate we have heard many things about the province of Quebec. As members of parliament we should do our best to foster a proper appreciation of the provinces from which we come. What is the use of criticizing the Liberal administration in Quebec because it is a Liberal one? Why suggest that the people were bluffed in the last election in that province? The people were not fooled, they were not bluffed; you cannot fill them up as though they were bottles. The Liberal party in that province were returned by a vote of the majority of the people, and any stranger, viewing the situation impartially, will agree that the people in that province were right. Where is my proof in support of my contention that the people of Quebec were right in returning the Liberal government to power? It is to be found in the report of the Dominion Director of Unemployment Relief, March 1, 1932, published by this government. This report gives an accounting of the appropriations and disbursements throughout Canada under the act. I do not find, according to the report, that my province has come to Ottawa and asked for any advances, but I do find that the province of Manitoba asked for three and three quarter millions, Saskatchewan almost seventeen millions, and Alberta four and a half millions. And what about the province of Ontario— a wealthy province forming, along with the province of Quebec, the cornerstone

of the Dominion of Canada? It is true that Ontario asked for a small amount, but just the same that province did ask for $190,364.74. Then British Columbia, on the verge of bankruptcy, gets an advance of $5,664,366.19. Altogether, we find that over $31,000,000 has been advanced to five of the provinces; but I see nowhere any mention of the province of Quebec. Now I do not say this in order to belittle any of the other provinces of Canada; not at all. My sentiments are too broad for that. I know that the nine provinces of Canada are the nine jewels in the crown of confederation, and each part of the dominion should be willing, if necessary, to come to the assistance of the rest. On the other hand, I think that my contention is borne out by the figures disclosed in this report, for they show the condition of the province of Quebec, the first settled land in this dominion. My province, I claim, still leads the dominion. I am proud of that province, and when I say so I am speaking on behalf not only of the Liberals of Quebec but of all the people who so strongly supported the government of Premier Taschereau in the last provincial election.

The province of Quebec, we are told, had a deficit of $10,000,000. As everyone knows, we were obliged to contribute our share under the unemployment relief scheme. For every dollar advanced, for provincial works, Quebec was obliged to pay its share on a fifty per cent basis, and for municipal works, Quebec was paying between thirty-five and forty-five per cent. We were obliged to take money from the treasury of Quebec to contribute to such work as was done. Perhaps other provinces were not on a financial basis strong enough to meet current liabilities, but Quebec was ready to meet hers, from her surpluses. But at that very moment she was obliged to contribute millions towards works carried on in the metropolis of Canada. It is not surprising, therefore, that the treasury of the province should be depleted after helping to meet the exigencies of the federal government. But let me say that before the first of May the banks will be reimbursed that $10,000,000, for the credit of the province of Quebec is still unimpaired in Canada, in England, and in every other country of the world, and Quebec will come back with flying colours. That province will balance its budget and will go ahead and prosper, to the advantage of the farmers and the people of the cities.

I have looked through this report very carefully, and it is astonishing to see the amount of money that has been spent under the Unemployment Relief Act. I may say quite frankly that when the bill was introduced last year I realized that the situation was desperate. When the Liberal government was in power there were signs of the tornado that was about to strike us. Anyone could see the clouds hanging over us, and the Liberal government foretold a tremendous storm. Our opponents did not agree with us, but the storm came just the same and we are in the midst of it now.

I should have liked to see this bill drafted differently. Does any business man in this house imagine for a moment that he would confer upon his manager or upon any other person in his firm or industry such wide powers as were given to the government under this act? Not at all. Not at all. Parliament must retain control over the expenditure and over the mandate given to the government so that we may hold the government to account and see that our ministers do not engage in risky undertakings. The government are asking that the powers conferred under the Unemployment and Farm Relief Act of 1931 be extended for a further two months. It is true that the government has presented a report on the work that has been done under this act, but why does not the government ask parliament to vote a specific amount? If it did that, I would be the first to support it. Navigation will be opening up at Montreal within two months. I see on page 19 of the report on the administration of the Unemployment and Farm Relief Act, schedule 18, that there has been spent by the Dominion government, as its share, in the city of Montreal for public works $1,200,000, but I contend, Mr. Speaker, that the money should not have been spent in the way it was. I am not here to give advice, for I know that any advice coming from the opposition will not be listened to by the government, that it will have no more chance than a cat jumping in an alley. But if the money had been spent on improvements to the Montreal harbour, for instance, not only would it have given work to the labouring people of Montreal, but work would have been done that would have been of benefit to the city and to this whole country for the next ten or fifteen years. Sheds, for instance, might have been built and new construction of various kinds which would have supplied the port's requirements for the next ten or fifteen years. The unemployed in Montreal would be glad to work with a pick and shovel on this work. I contend that that would have been a much better way to spend the money, because not only would work have been provided but public works of value would have been constructed which would

serve this country for a considerable number of years to come. The government might have built a new custom house, for instance, at Montreal. A foundation was laid for such a building nearly fifteen years ago by a former Conservative government, under Sir Robert Borden. This foundation on McGill street cost approximately $1,000,000, but nothing further was done with regard to it. If work had been proceeded with on that project, we would to-day have a new federal building in the city of Montreal which would have served the needs of the city for perhaps twenty-five years hence, and at the same time work would have been provided for the unemployed. But I humbly submit that at present the money is being spent in a way that is not of benefit to Canada, and if this crisis continues, and if the treasury remains empty of revenue, the government will be obliged to increase taxation. They will have to borrow money and they will not be able to say to the people: Look at the public works that we have built with the money voted for unemployment relief. It would have been far better to construct public buildings, dredge rivers, and make harbour improvements, providing for the needs of the future as well as looking after the present.

I read in a Montreal paper a few months ago—if I am wrong I shall be glad to be corrected—that the chairman of the Montreal harbour commission had urged the building of a wharf and shed at Windmill Point at Montreal. This project would have provided work for a very considerable number of men and would have been of benefit to the Marine department and to Canada as a whole. But nothing was done. If that project had been gone on with, you would not see 30,000 unemployed walking the streets of Montreal to-day. Money voted for unemployment relief and to be spent in the city of Montreal should have been spent in the harbour of Montreal, in the construction of improvements.

In distributing the money to municipalities, I contend that the government is relinquishing too much of the control over the funds voted by parliament. In the city of Montreal, for instance, more was expended in expropriation proceedings than on public works undertaken for the benefit of the unemployed. I hope, Mr. Speaker, that the amendment which this government has proposed will be withdrawn because I humbly submit that a constitutional issue is involved. The control of public moneys should not be taken out of the hands of parliament.

I heard the learned speech the other day of my hon. friend the Minister of Trade and Commerce (Mr. Stevens). He argued that it was impossible to spend a definite amount without asking parliament to vote it, and that if it was not voted the Auditor General would scrutinize the item very closely to see that it was devoted to the purpose designated by the house. That is the very principle that I am advocating, that parliament should have control over the moneys it votes. But to-day we do not know where we are going. Are we going to spend fifteen or twenty or fifty million dollars during the next few months for the relief of unemployment? Nobody knows. But if the government would ask this house to vote a definite sum, say fifty or sixty million dollars, if needed, that would be in accordance with constitutional practice and in accordance with the principle of the voting of supplies by parliament which has always prevailed in this country.

I hope that I have not delayed the house too long, Mr. Speaker, but what I have said I have said sincerely, presenting my view as to the issue involved, and speaking also in the interests not only of the city of Montreal but also of my beloved province of Quebec, which in common with the other provinces of this dominion is vitally concerned in the prosperity and welfare of our country.

Mr. A. E. MacLEAN (Prince): In rising to make a few observations on the resolution before the house, I wish to be as fair as I can and to present the view which is taken by hon. members on this side of the house.

At the outset there is one question that I should like to ask. If the government were very anxious to bring in this measure in time to have the amendment made before the first of March, why did they not introduce it earlier in the session? The speech from the throne was disposed of in a couple of days and there was no reason in the world why the government could not have introduced this measure and had the act amended before it lapsed. Our friends, however, chose to sit back quietly, do nothing in connection with the situation, and allow the act to lapse. Then, after it was dead, they came to parliament and asked for an amendment to what has been termed a dead statute. I do not think our hon. friends opposite or the country at large can take any objection to the criticism that has been offered by this side of the house, because it has been made clear from the first that the Liberal party are perfectly willing to vote the supply necessary to carry on any undertakings the government may have on hand or any new ones on which they may wish to embark. It was made quite plain by the

leader of the opposition (Mr. Mackenzie King) that if a supply bill were brought in to take care of any emergency that might arise, it would be put through the house in the course of a few hours and then the government could bring in a new bill which they could frame at their leisure, without attempting to rush through a bill to amend an act which, as has been pointed out, is defunct and no longer capable of amendment.

If any mistake has been made in this regard, our hon. friends on the government benches will have to assume the responsibility. I do not think the government could ask for anything clearer than the offer which has been made by the opposition that if a supply bill were introduced, it would be put through all its stages without undue delay. The government, however, are not satisfied with that; they come to parliament and, under this resolution and the bill to be founded on it, ask us to hand over to the executive the exclusive power to put through almost any legislation they may wish. Why do they do this? I think we have a complete answer in the speech which was delivered the other day by the Minister of Trade and Commerce (Mr. Stevens). This is what he said on March 12:

> It is true that at that time an appropriation might have been voted, and it was very largely the burden of the complaint of some hon. members that that was not done, but I invite hon. gentlemen to consider this, that when an appropriation is passed the purpose for which it is to be used must be specified, and the Auditor General and other officers of the crown in scrutinizing expenditures under such an appropriation always keep the government very closely to the purpose specified in such a vote.

If there has been advanced from any part of the house one argument which condemns more strongly than any other the action of the government in proposing this amendment to the act, it is the speech of the Minister of Trade and Commerce. He says positively that if they bring in a supply bill, then the country is going to know where every dollar of that money has gone. If they bring in an amendment to the act, then the government can do almost anything they want and the Auditor General has not the power to scrutinize that he would have if a specified sum were voted.

Mr. STEVENS: I am quite sure my hon. friend does not wish to misrepresent my statement. If he will refer to the remarks which I made on that occasion, and part of which he has just quoted, he will note that I was referring to conditions that could not possibly have been foreseen or provided for, and therefore an appropriation which must specify what it is for, could not be used for unforeseen circumstances which might arise under these emergent conditions, particularly the drought conditions of the west.

[Mr. MacLean.]

Mr. MacLEAN: My hon. friend's argument would hold good if the house were not in session; but the government must know the commitments they have made up to the present time; they must have a fairly good estimate of what is needed for the different provinces, and they could have brought in a supply bill sufficiently large to take care of any emergency that might arise within the next two months. That supply bill could have been passed by the house and then the Auditor General could have been in a position to check up and see where every dollar of the money went. The hon. member for St. Henri (Mr. Mercier) has referred to the report which has been submitted to the house. What does that report show? Do we get any itemized expenditure in it? We do not. All we get is a statement showing lump sums that were approved by the Minister of Labour (Mr. Gordon), one sum for this province and another for that. Those appropriations were approved and the government gave the municipality or the provincial government authority to go ahead and carry out the relief works at a specified amount. Nobody knows whether those projects cost too much or not, or what was done for the amount stated, or how the money was really expended. I do not wish to be harsh, but if when the former Liberal government was in power my hon. friends opposite had had half the chance that we on this side have had, I know the criticism they would have offered. As I said before, the Minister of Trade and Commerce has condemned this course of asking for a blank cheque more strongly than any member on this side has been able to condemn it.

If they are given a blank cheque and this wide power in regard to the provision for peace, order and good government, they may do anything. We might have a merger of all the banks in Canada; we might have a merger of the great railway systems; we might have the deep waterway scheme put through in this country by order in council, and we know how divided public opinion is on the question. We know the attitude which is being taken in the great province of Quebec; they are prepared to carry the matter to the seat of the throne rather than give away their rights. Therefore, to give this blank cheque and this wide power of legislation to the government at this time, is going a step too far. The situation should be dealt with as it arises; our friends opposite should

now know pretty nearly what they want; they should bring in a new bill and allow the house to debate it, without asking for a blank cheque at this stage of the game.

They say that we have made no worthwhile suggestions. It has been pointed out by the speakers to-night that the leader of the opposition has on different occasions indicated that the appointment of an independent commission in each province is the proper manner of handling the situation. This is the people's money. One of the regulations approved by the Minister of Labour under the statute that was passed is as follows:

> All agreements with provincial and municipal authorities shall contain a provision to the effect that all persons employed on the works or undertakings referred to herein shall be residents of Canada, and in no case shall discrimination be made or permitted in the employment of or in the granting of direct relief to any British subjects by reason of their political affiliation, race or religious views.

This was to be a fair deal to the country as a whole. We have heard representatives from different provinces state that this principle has not been followed. I am not going to complain in regard to Prince Edward Island; I think the work was handled there as well as in any other province, but a new Conservative government had just come into power; their friends were very hungry for government jobs, and there is no doubt in the world that they pressed that government very hard. We had complaints by the score from people who said that no one need apply unless he was of the right political stripe. I do not know whether or not that is true, but I do know that we have had complaints that the money did not go to the men who needed it, that for some reason or another those moneys in many cases did not reach their proper destination—that is, the man out of work. A large amount of the money spent went to people who did not need it, to people who could afford to buy motor trucks, to merchants, to contractors and to speculators who were able to grab a large proportion of the money. Those people received the benefit rather than the men who were really in need of assistance. No wonder the public press and the people in general condemn this measure. I think it was "Alfalfa Bill" Murray, or Senator Bill Murray, of the United States who said that people do not exist for government, but that the government exists for the benefit of the people. Our hon. friends opposite seem to think that the people exist for the government, and we find them endeavouring to control everything in the way of expenditures to suit themselves.

Turning to the public press for expressions in this connection we find the following in the Financial Post:

> It must be obvious to everyone that the proposed plan for carrying on relief work in the same way as last season does not commend itself to the public generally.

When we see such papers as the Financial Post, publications which have made a study of the plan, condemn it and make publicly the statement that the procedure is too expensive, I think it is time for the government to call a halt and take into consideration some of the suggestions put forward by the press and by hon. members in this house.

The Financial Post of January 30, 1931, states that $10 has been added to the public debt of Canada for every day's work given to the unemployed. The figures reveal waste and prove that the plan is unsound, that it is calculated to strain the credit of municipalities and provinces, and is loading them up with debts that they would not otherwise assume. That is the view of the Financial Post. In the same issue I find the following statement:

> In other words, it cost the state not more than $20 per head to carry the unemployed under direct relief, and $210 per head to give 332,000 people 22 days work each in the year. The expense of the relief work was at least ten times greater than that of direct relief. The figures for this year will run about the same.

That is the astounding statement contained in the Financial Post, a publication which has gone into this matter thoroughly and has attempted to show to the public that the giving of relief has not been economically handled. The article in the Financial Post goes on to say:

> A relief problem of 350,000 unemployed, therefore, can be met by direct relief for $7,000,000; by indirect relief (22 days work apiece), $70,000,000.

An analysis has been made by that publication to show that some $60,000,000 has been thrown away in an attempt to carry out the relief plan adopted last year by my hon. friends opposite.

Concerning the question whether or not the provinces are able to carry on, a great deal has been published in the public press. Mr. C. A. Bogert, general manager of the Dominion bank, stated at the annual meeting of that institution that Canada is now borrowing $6 for each $1 she is repaying. Referring to the public debt of Canada he said:

> The Dominion government during the past few years had reduced the public debt approximately 11 per cent from its peak, but this again was more than wiped out in the past few weeks by the national service loan.

That is a very strong statement coming from a man who holds the position of general manager in one of our greatest banks. Hon. members must realize that we cannot go on rolling up debts in the municipal, provincial and dominion governments, because there is a limit to credit. The time would soon come when even this Dominion of Canada would not be in a position to borrow enough money to keep going. There is no use misleading the people regarding these grants, because down in our little province of Prince Edward Island we know that in the past few years we received fair treatment from the federal Department of Public Works. Last year, however, when the dominion government gave $125,000 to that province for unemployment the contribution was heralded throughout the press, and statements were made about the wonderful help the federal government was giving. May I point out that on the one hand this government is withholding hundreds of thousands of dollars from Prince Edward Island, and on the other hand it is making a contribution of $125,000 for the relief of the unemployed.

Let us survey the situation. We find that the amount voted for public works in the province of Prince Edward Island for the year 1928 was $339,800. In 1929, the sum of $229,800 was voted. What do we find in the estimates for 1932? There are only two items, totalling $8,000. Yet, under a Liberal government in 1929 the province of Prince Edward Island received $339,800. Although our hon. friends opposite are spending money for the relief of the unemployed, they are at the same time allowing the public works of this dominion to run down. Public works in the province of Prince Edward Island will fall into a state of decay; the amount stipulated in the estimates for this year is not sufficient to keep them in repair. True, the sum of $50,000 is set aside for harbours and rivers. That sum, however, is voted every year, and is used only in cases of emergency where trouble may develop after a storm, and repair work may be necessary.

Let us consider dredging in the maritimes. In the year 1929, the sum of $540,000 was set aside for that purpose, and of that sum $60,000 or $70,000 was spent in the constituency I have the honour to represent. We find that for 1931-32 the amount was only $235,500, indicating a reduction in that one item of $304,500.

Mr. GOTT: The Conservative governments apparently did more for the hon. member than the Liberal governments did for us.

[Mr. MacLean.]

Mr. MacLEAN: I think the records show that the country was well cared for by the Liberal government. During the last election campaign the Conservative candidates were telling about the wonderful things they were going to do when their party came into power. so far, none of their promises have been fulfilled. They promised to find a market for our products. They went up and down the country telling the people to look at their milk cheques. I ask my hon. friends to-night to look at their milk cheques, and not only their milk cheques but all other cheques for farm produce. Look at the cheques they receive from the sale of their potatoes, their poultry, their pork, their beef, their grain. I ask my hon. friends what has happened to those silver-lined promises they handed out so freely during the election campaign.

In the few moments I have at my disposal before eleven o'clock I wish to make an appeal to this government on behalf of the potato growers in Prince Edward Island. Millions of dollars have been voted in this house for the benefit of other provinces. My hon. friend from the province of Quebec who preceded me told us that within the last year about $32,000,000 had been voted to the different provinces to take care of unemployment and farm relief. If hon. members would take the time to search the records from confederation up to the present they would not find one dollar voted for the relief of farmers in Prince Edward Island. To-day those farmers are in a worse position than they have been at any time since confederation. In western Canada the farmers are blessed with a fertile soil, and about all they need do is put in their crop; then if there is anything like a good growing season they are assured of a bountiful harvest. In short, the only essential thing is seed. But in Prince Edward Island we need not only seed, but something that is equally essential—fertilizer. For the past two years our farmers down there have been in a most unfortunate position. Last fall the potato association shipped large quantities of potatoes into the United States on the understanding that they would be sold when the market opened up this spring. They had to pay the duty and freight and storage charges, and now the prospects are that they will get scarcely anything in return. I see my friends from Prince Edward Island on the other side and I know they will agree with every word I say. To-day our farmers need some cash assistance to help them buy their fertilizer for this year's crop. They cannot get that fertilizer on credit because it is a cash article. The banks are carrying the

farmer's notes for the fertilizer purchased last year and they decline to make any further advances for this year's requirements. I appeal to the Minister of Labour (Mr. Gordon) —and if the Minister of Agriculture (Mr. Weir) were in his seat I would make the same appeal to him; I appeal to them to have a survey made of the situation. It can be easily done through the provincial government or the Potato Growers' Association, either of whom, I know, would verify the statements I am now making. I think the provincial government and the association would be well-advised to put in a claim for $500,000 to enable the farmers to get their fertilizer this year. If this appropriation were made it would be greatly appreciated by our farmers on the island, and would be only doing justice to the province in view of the millions of dollars that have been voted to the farmers of the western provinces. Our friends opposite were going to blast a way into the markets of the world, but they have not been able to blast out of the way even that little insect, the potato bug, and so get removal of the British embargo against our potatoes. I believe unless our farmers can get an outside market for their potatoes they will have to discontinue potato growing altogether.

The question of subsidies has also been agitating our people in Prince Edward Island. In the election of 1930 they were told that if the Conservative party came into power the Duncan report would be fully implemented; but this government has not shown the slightest disposition to redeem that promise. I know that the Conservative campaign literature circulated throughout the province at that time was very definite in promising that if the party was successful they would supplement the treasury of Prince Edward Island by a subsidy of $700,000. I see the premier of the province in his budget speech states that the provincial debt in 1910 was $877,756, that by 1920 it had grown to $1,176,264, and that at the end of 1931 it had pyramided to $3,342,241—or an increase in the last eleven years of $2,165,817. It took fifty years from confederation up to 1910 to bring the debt of the island up to less than a million dollars, yet in the decade from 1920 it has, as stated by the Premier, reached a total of over three million dollars. From this it will be apparent to every hon. member how necessary it is that the province should have an increased subsidy. The premier paid a wonderful tribute to the Liberal party in his budget speech. He said in effect that the Liberal government under Mr. Mackenzie King had increased the subsidy by $125,000. When asked by the opposition if anything had been done with regard to getting a further increase, he said, "No, now is not the time to go to Ottawa to ask for an increased subsidy. It will be years before we can get any increase." In that statement he unconsciously paid a fine tribute to the Liberal government. In effect he said: We got $125,000 under the Liberal government, we have not been able to get a cent since, and we shall have to wait until the Liberal party gets back to power before we can expect a further increase in our subsidy.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Friday, March 18, 1932

The house met at three o'clock.

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—CONSIDERATION OF RESOLUTION

The house resumed from Thursday, March 17, consideration of the motion of the Prime Minister that Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole on the following proposed resolution:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): Mr. Speaker, to any keen observer of politics it is apparent that the government is not on "easy street" to-day. It does not like the turn that this debate has taken, and hon. members opposite who have spoken in support of the resolution have tried to introduce political issues entirely apart from the subject matter and thus to becloud the real issue before the house. This is done in an endeavour to have the country forget the two main points of this resolution, to wit, relief for farmers and the unemployed, and the constitutional aspect of the powers sought by the government to carry out this relief.

By some hon. gentlemen on your right, Mr Speaker, we have been accused of playing politics, and we have been severely criticized for the course we took during the by-election in Three Rivers-St. Maurice, and throughout the late provincial election in Quebec. The hon. member for Quebec East (Mr. Lapointe) was severely taken to task by the hon. member for Dorchester (Mr. Gagnon) for some of his utterances during the campaign in Three Rivers-St. Maurice. The hon. member for

Dorchester attempted to make political capital out of the result of that by-election. Apparently to please his political chief, he told the house that the result of that by-election represented the unanimous opinion of the province of Quebec in favour of the Tory party. That is far from the fact. The hon. gentleman forgot to state that another by-election took place about the same time in the riding of East Hamilton in this province, always regarded as a safe Conservative seat, but the government candidate was overwhelmingly defeated, and to-day East Hamilton is represented in this house by a Labour member. The hon. member for Dorchester also told the house that the people of Quebec, and more especially the younger generation, were enthusiastic in their admiration of the right hon. leader of the Conservative party, that in fact he was the idol of the province. Many counties in my province, including the county which I have the honour to represent in this house, gave very large majorities to the supporters of the Liberal party at the election in 1930, and I affirm to the house and to the country that the majority of the electors of Quebec as well as the younger generation are not at all enthusiastic admirers of the right hon. leader of the government. Our young men do not regard him as their idol and they decline to follow him. Speaking for my own county, I am confident that our people both old and young are ardent supporters of the right hon. leader of the Liberal party (Mr. Mackenzie King) and our leader in Quebec, the hon. member for Quebec East (Mr. Lapointe).

Let me say, Mr. Speaker, that those hon. gentlemen who have followed the lead of the hon. member for Dorchester do not represent the real feeling of the people of my province. Those hon. members, it is true, were returned to this house at the election of 1930, but at the last provincial election they were not able to return any of their candidates for the local house. Last August the province of Quebec in the most unmistakable terms returned a verdict of confidence in the Liberal administration which has been controlling the affairs of the province for the last thirty-four years. On that occasion the electors of Quebec had a chance to choose between the Hon. Mr. Taschereau and Mr. Houde, and by an overwhelming majority they showed their preference for the leader of the administration that had enjoyed the confidence of the province for the past thirty-four years rather than turn to a demagogue like the provincial leader of the Tory party. Let me remind hon. gentlemen to your right, and more especially the hon. member for Dorchester, that although they may try to belittle our leader in Quebec, my hon. friend from Quebec East, they are playing a very poor game, and they may rest assured that long after they have gone into the valley of oblivion the name of the Hon. Ernest Lapointe will be held in honour and esteem by many generations yet unborn, for he will stand in history as one of the greatest men of our race both in the province of Quebec and in the dominion.

It is not surprising, Mr. Speaker, to hear our hon. friends opposite talking in such a reckless fashion. They were over-enthusiastic after the general election of 1930, and they thought they could repeat their success by fooling the people again in 1931 at the provincial election, but the electors of my province were wiser then than they were in 1930. Our friends opposite are bad losers, and having suffered a severe defeat in the provincial election, naturally they vent their disappointment upon our esteemed leader in Quebec, my hon. friend from Quebec East. At the next federal election I am convinced that the electors of Quebec will display the same sound judgment as they did at the recent provincial election, and that their example will be followed by the electors of the other provinces, and they will send back to their homes our friends opposite so that they may have an opportunity to meditate over their defeat.

We have been accused by some members on your right, Mr. Speaker, of unduly delaying the adoption of this resolution, and thereby becoming responsible for the suffering of the unemployed because this measure of relief is not enacted immediately. But the blame is not to be laid at our door; rather it is the fault of the government which waited for over a month after the opening of the session before introducing this resolution. On reference to the orders of the day it will be found that it was only after the hon. member for Kenora-Rainy River (Mr. Heenan) had introduced his amendment on the motion to go into supply that the government decided to bring this resolution before the house. The debate has not been unduly long; to-day we are entering on the eighth day. I take issue with the hon. Minister of Trade and Commerce (Mr. Stevens) who stated the other day that the debate had been in progress for over two weeks. Only thirty-seven members of the official opposition have spoken so far, and they have been joined in debate by fifteen of our hon. friends on the opposite side and by seven members representing various groups on this side of the house—fifty-nine all told.

In 1926 it will be recalled that there were debates continuing for weeks and weeks, and in 1930 also, when this very question of unemployment was an issue the majority of hon. gentlemen who were then sitting on this side got up one after another and read to the house carefully prepared briefs that had been drafted for them by their party organization. Are there two kinds of justice, one for the Tories and one for the Liberals? If in the days of 1926 and in 1930 it was right to oppose the resolutions and motions proposed by the government of the day, Mr. Speaker, surely to-day we should be given the same freedom of speech and the same liberty of action enjoyed by the Tory party in those days. After all we are here to perform a duty. When we took our places in this house we took an oath of office, and we cannot let this resolution pass, after hearing speeches such as those delivered by the Prime Minister, the Minister of Railways and Canals, and the Minister of Trade and Commerce, without entering our protest. I should like to refer especially to the speech delivered in this house the other day by the Minister of Trade and Commerce (Mr. Stevens), in which he said:

> It is true that at that time an appropriation might have been voted, and it was very largely the burden of the complaint of some hon. members that that was not done, but I invite hon. gentlemen to consider this, that when an appropriation is passed the purpose for which it is to be used must be specified, and the Auditor General and other officers of the crown in scrutinizing expenditures under such an appropriation, always keep the government very closely to the purpose specified in such a vote.

That is the reason, Mr. Speaker, why the government to-day comes before this house asking permission to evade that scrutiny of every appropriation voted by parliament which is required by the laws of our country. It is our prerogative to see where our money goes, the money which comes from the taxpayers of this country, and to see that the government does not commit any abuses in the use of that money. That is the reason why this debate is going on. Further, the Minister of Trade and Commerce said:

> We have certain commitments which have been made under the act; that is, agreements have been entered into with each of the provinces and various works of a different character are being carried on by the provinces with the aid of the dominion, and we ask for an extension of the act for two months, because the difficulties which then confronted the country have not been surmounted. . . .

If it were only to carry out such commitments and finish such works as have been undertaken under this act, speaking for myself and I think for all hon. members on this side of the house, there would be no objection to letting the bill pass, because it would be simply completing those works which have been undertaken for the benefit of the people. But the Minister of Trade and Commerce also said that further relief was required, and that is the point upon which we take issue. While parliament is sitting, and while we are here to decide these issues as representatives of the people, we do not want these powers given to the government. We are here to vote upon any amount of money required by this government to carry on its relief work in the cities and throughout the country.

Since the government has been in power I think it is safe to say that it has been given by the country at large and by the opposition in this house fair play, a free hand and ample opportunity to inaugurate any policies it desired to bring into force; it has not been hampered unduly by the opposition. But discussion is necessary on the part of any opposition, though that is not synonymous with inaction or acquiescence. We are not here simply to listen to the government and abide by its dictates; we are not supposed to say "ditto" to everything the government may propose. The country expects that at all times the opposition shall be vigilant in the preservation of established rights and the liberties of the people, and do all in its power to prevent the usurpation of any rights or powers which do not belong to those entrusted with the government of the country. It is the duty of the opposition to stand by its own principles and policies, especially when there exists throughout the country to an appreciable extent a critical attitude towards the government. It is the duty of the opposition to express that attitude in this house and to present our criticism with regard to the measures brought forward by the government. In the province from which I come I may say there is a good deal of criticism directed against the government as to the manner in which this unemployment relief money has been administered, and also as to the way the government has put in force the policies it promised to bring forward during the election of 1930. That is why this debate has gone on for some days and the reason why it may go on for some time longer.

I think we are all in agreement with the object of this resolution; that is, we all desire to seek ways and means of relieving the farmers and the unemployed throughout the country. But as to the methods adopted in the past and proposed to be continued in the future we disagree. This proposal is too far

reaching in its scope; it strikes at the very basis of our parliamentary institutions. If this resolution passes, the powers, dignities, rights and privileges of parliament are no more, and we might as well go home. My right hon. leader has proposed to the government that they bring in a supply bill naming a definite amount to be used for a definite purpose and as a member of this house, representing the people who sent me here, I would be willing to vote for such a bill. But the Prime Minister sticks to the one method; it is the only thing he has to offer the people of this country even after being in office two years. The Prime Minister and the other members of the government who have spoken on this resolution have no clear explanation to offer as to why they want this bill extended. Why do they mention the first of May? Is it because that is moving day, and because the government will be expected to move after that? Will unemployment be ended by that time? If not, what is going to be done after parliament is prorogued? I have received many communications from people in my constituency asking what the government propose to do after May 1, if we pass this resolution, but we have had no definite announcement from the government in that connection. The government is living from day to day, waiting for something to turn up; it has no definite policy for the solution of the problem of unemployment, which was promised by the Prime Minister when he was seeking power in 1930. The truth is that the ship of state is floating on a sea of uncertainty; the government are in a desperate situation, trusting to fate and chance to get them out of their troubles.

Let us see what is proposed by this resolution. By it we will reenact the bill passed last year for unemployment and farm relief. During the election campaign of 1930 the then leader of the opposition, now the Prime Minister of this country, was very specific in his utterances and very definite as to his program. Unemployment was to be relieved over night. No consideration of the question was necessary; no study of the matter was promised. Everything was to be settled at once if the present Prime Minister came into power and had direction of the affairs of the country. It was not a question of whether or not the municipal, provincial and federal governments were each to act within their respective spheres; the Prime Minister said he would settle the matter himself. There was no doubt in his mind at that time, apparently, that unemployment would be ended or that he would perish in his attempt to end it, and it was upon the strength of such promises that this government came into power.

I do not think it necessary, Mr. Speaker, to read to the house all the promises made in those days. They are fresh in the memories of all hon. members, but there is one promise made by the present Prime Minister to which I should like to refer. At Sarnia on July 17, 1930, he said—I am giving the French version:

(Translation):

Someone is responsible for unemployment; not individuals, but governments.

The leader of the government, when he was leader of the opposition, said that if there was unemployment someone was responsible for it, and he laid the blame on the government of that day. The same thing applies to-day. If unemployment exists in this country at the present time the blame must be laid at the door of the government now in office. That government is responsible for it and must take the blame for the great burden that afflicts the dominion. Now after fourteen months of power, what does the leader of the government say? In October, speaking at Toronto, the Prime Minister said —again I give the French:

(Translation):

I am firmly convinced as I stand here to-night that nothing but the grace of God will save the world. You may talk of your suspensions of gold standards, demonetization of silver, of tariffs, of balance of trade, of import and exports, but one thing only will save christianity and the world, the grace of God.

What a change from the utterances of the Prime Minister in the year 1930. At that time he trusted to himself to settle everything in the country; to-day he trusts to the Almighty because he realizes that it is impossible for him to carry out his promises.

We are sometimes told that we have no definite program to offer; in fact, this charge is frequently made. The hon. member for Vancouver Centre (Mr. Mackenzie), speaking yesterday in this house, enunciated the program which we of the official opposition have been advocating: A national unemployment relief commission, which has been proposed in this house on different occasions and which was suggested last year by my leader (Mr. Mackenzie King); proper procedure through a supply bill; a system of auditing; a comprehensive system of unemployment insurance; assistance to the coal industry of Nova Scotia; a Peace River outlet; a national research council for social and economic purposes; the writing-down of interest on bonds;

and an adjustment of the wages of money in keeping with commodity prices and the wages of labour.

That is the program which the loyal opposition has put forward; that is what we should like to see put into force.

At the special session in 1930, the government forced us to vote $20,000,000 for the relief of unemployment, and under the pretext of unemployment relief we were told that we had to enact, by coercion lest the Prime Minister should decide not to go to the Imperial conference in Great Britain, far-reaching tariff measures giving very wide powers to the governor in council to value goods for duty purposes. Everyone knows what the result of that policy has been. In 1931, during the session, although the unemployment situation was going from bad to worse and members were pressing the government for a definite plan of action, nothing was done except that in the dying hours of the session Bill No. 58 was introduced. That bill became law and that is the act which we are now asked to revive, because it is dead. It was a bill to provide unemployment and farm relief and there was no limitation so far as the money that might be spent by the government was concerned. There was no direct specific policy mentioned in the bill for the relief of unemployment. Well, we know what has taken place since; hundreds of orders in council have been passed for various purposes; tariff laws have been changed and altered at the will of the government. Each time any friends of the government had suggestions to offer, or thought it expedient to have changes made, such changes were made without any previous investigation by the government, notwithstanding the fact that last year, by a special act of parliament, a tariff board was created to look after such matters. Under the bill which we are called upon by this resolution to revive, drastic changes have been made in the existing statutes of the country. The export of gold has been abolished and amendments have been made to very important statutes such as the Bank Act. The provinces have been helped and the wheat pool also, and the Insurance Act has been amended. Further, ammunition, gunpowder and bombs were brought under the powers extraordinary given the Prime Minister in the last hours of the session. But that is not all. With the policy which the government has adopted in prohibiting the export of gold, after England had gone off the gold standard and a specific valuation was placed upon the pound sterling, rendering more difficult our transactions with the mother country, what has the government done? By this order in council that was passed, and also by the changes made in the British preference, it has been impossible for the people of Canada to obtain an entrance into the markets of Great Britain. What do we see? In yesterday's Journal, March 17, I find the following:

> Soviet Lumber Contract Is Valued at £4,500,000
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> London, March 17.—The approximate cost of the huge timber contract completed between British importers and Soviet Russian exporters is placed at £4,500,000 by the Times. The schedule of prices for the timber, amounting to 450,000 standards, and to be delivered this year, provides that if market prices of similar grades of wood from Sweden or Finland fall, appropriate adjustments up to a limit of £2 per standard may be made in the schedule of Russian prices.

That means that England went to Soviet Russia to obtain a certain amount of timber or lumber instead of coming to this country, because of the rate of exchange and the restrictions placed by this government through the manipulation of the tariff under the orders in council passed under this very bill which we are asked to revive. This has made it impossible for the people of England to trade with us and consequently we have lost that market. The people engaged in the lumbering industry in Canada in its various forms, had it not been for this, would have been able to obtain such contracts. They would have got this contract had not the Prime Minister altered the tariff in the way he has done. The amount of this contract was £4,500,000 or $20,000,000.

A great many of these orders in council passed under this law were not passed directly for the relief of unemployment. Some of them have created an upheaval in the tariff such as we have never seen before in this country, so much so that there is no longer any tariff stability in Canada and importers, traders and manufacturers do not know where they stand. They will not enlarge their enterprises.

Is this the way to encourage the unemployed? Is this the way to give work to people whose only commodity they have to sell is labour? When the Prime Minister was leader of the opposition he said, "When I am called in I will prescribe. The federal government should step in and handle the situation." Yet when he spoke on this resolution the other day he read from certain decisions by Viscount Haldane, indicating that under certain circumstances the federal government had to take cognizance of the provincial and municipal authorities. We see, therefore, that the government, in regard to

unemployment and farm relief, has had to go to the very source to which, as we pointed out before, it was necessary to go in order to settle the problem. We stated that cooperation was necessary among the municipalities, the provinces and the federal government.

We have been told of the wonderful success that has been achieved in Saskatchewan through the relief commission appointed there under the bill; yet a general relief unemployment commission, such as has been advocated by my leader, has been refused by the government. Notwithstanding the efforts of the government, the situation has been going from bad to worse, and to-day we have only to refer to the speeches of certain western members in order to see that in the provinces of Saskatchewan, Manitoba and Alberta conditions to-day are worse than they have ever been. We find the members from those provinces asking for feed for cattle and for seed for the spring. We have also heard of the complaints that were made in British Columbia regarding the administration of the act. Owing to the maladministration of the act, it has been necessary to appoint a commission to investigate matters. I have in my hand an editorial which appeared in Le Soleil of Quebec on August 27 last. This editorial discloses the fact that certain hon. members who sit to your right, Mr. Speaker, attempted to play politics in the last provincial elections in Quebec. They tried to make use of the efforts put forth by the government to grant unemployment relief in order to force the electors to vote in their favour. This editorial quotes a letter which had been written by the hon. member for Levis (Mr. Fortin) dated August 22, 1931, addressed to the electors of Bienville and Lauzon. The editorial is in French and is as follows:

(Translation):

Sell Yourself Or Starve!

Such seems to have been the motto of certain Houdist electioneers in the last campaign. Sell yourself or starve! These words are actually embodied in certain documents that we have in our possession and which bring shame on those who had them circulated. It is impossible to close our eyes, in connection with this literature, to the blackmail directed against the liberty of citizens.

The following circular letter which Dr. Emile Fortin, member for Levis, at Ottawa, addressed to the electorate of his county to bribe them by promising bread in return for their vote in favour of Mr. Noël Belleau, the Houdist candidate, is an instance of the corruption carried on in this election:

[Mr. Casgrain.]

Do You Want Work?

Levis, August 22, 1931.

Electors of Bienville,
Electors of Lauzon.

Famine Is At Your Door!

There are signs that winter will be severe! Unemployment increases: Workmen of Lauzon, whatever may be your party attachment or feelings, do you want work? Do you want bread? Help me! and put your trust in the only government which can relieve you.

Heretofore, I have not spared my time or energy to help you. Shall you, by an unfavourable and thoughtless vote undo my twelve months of work and anxiety?

You need the Dominion government. Vote for it by voting for Noël Belleau, thus you will be endorsing the following contracts:

Fire-engine boat, $350,000.

Repairs to the Prince Edward Island, $270,000.

Repairs to the dry docks, $36,000.

Repairs to the forts, $150,000.

Repairs to government boats, $100,000.

Repairs at the engineers' camp—target range, $20,000.

Think how advantageous it would be for Levis if I had to help me: Noël Belleau, K.C., minister of the crown, at Quebec; Hon. Maurice Dupré, a son of Levis, minister at Ottawa; Mr. Onésime Gagnon, member for Dorchester and future minister in the Bennett administration.

What help can Mr. Belanger be to you in contrast with what we can do for you?

The provincial government can do nothing without the support of the government, at Ottawa.

Mr. Bennett can give you prosperity. Three Rivers endorsed his policy and received $700,000.

Let Lauzon and Bienville do their share, they will be given in return work and prosperity.

Workmen of Lauzon if you disown the Conservative party what can you expect from it next winter?

(Sgd.) Dr. Emile Fortin,
Member at Ottawa.

Never has the Conservative party admitted more impudently to what means they resort to bribe the people.

"Three Rivers endorsed his policy and received $700,000." What a confession! So, when the country is in the throes of a critical economic crisis, the Conservative party, at Ottawa, in an endeavour to destroy the Liberal party, grant almost three-quarters of a million to the ratepayers in Three Rivers to purchase their votes and ease their conscience! A party which resorts to such means deserves to be wiped out. It is what the Liberals did, last Monday, to the Houdists, and it is what they will do in four years to Mr. Bennett.

I shall translate a part of this editorial as it may prove interesting to the people at large. The letter says that Bennett alone can give prosperity, that Three Rivers has approved of his policy and has received $700,000 in the form of relief, and the electors of Bienville and Lauzon are advised to do likewise and they will see a return to pros-

perity. They are told that if they renounce the Conservative party they cannot expect to receive anything during next winter.

Mr. Speaker, if the hon. members who sit on your right have not used this act to play politics, I should like to know what they have done. They used it to appeal to the people in the province of Quebec during the last provincial election. Had there been appointed a relief commission, as advocated by my right hon. leader such things would not have occurred. I think I am safe in saying that this act has proved to be inadequate and futile, its administration has been wasteful and extravagant and the necessary relief has not reached the people. The hon. member for Prince (Mr. MacLean) quoted last night an extract from the Financial Post which showed the cost of the administration of this act. The figures showed that the debt of the country has been increased because of the expenses of administration.

Has unemployment been relieved and work given to the people? I have before me figures which show that in September, 1931, one year after the government had taken office, 7,798 firms were employing 972,537 people. In January, 1932, the figures stood at 7,832 firms employing 835,960 people, a considerable decrease in the number employed. In February, 1932, the totals had declined further to 7,766 firms employing 819,175 people. These figures show that not very much work has been provided for the people of Canada. The index of employment in industry in Canada is at its lowest ebb since 1922. Who is responsible for this? The Prime Minister admitted that the government was responsible when he made the speeches to which I have alluded.

The hon. Minister of Labour (Mr. Gordon) speaking in the house on February 23, 1932, said:

> As time went on it was apparent that further measures would have to be adopted in order that those in want might be given such employment as would tide them over, and the result was the legislation of last session. Under that legislation 334,301 persons have been given employment up to January 31, 1932, the total number of man-days being 7,415,973. The total commitments necessary to carry on the work to February 22, 1932, amounted to $76,426,387, the federal government's share being $32,822,847. This work is still proceeding. The figures I have given will be subject to some slight variation when the report is tabled which I trust will be shortly.

The total cost was $76,426,387 to provide 7,415,973 man-days, or slightly more than $10 for every day's work provided. Where did the balance go? Is that the way to take care of unemployment? When the $20,000,000 was voted in 1930 we were given to understand that many public works would be undertaken in order to provide unemployment relief. After the act had been passed the Minister of Labour wrote to various members of the government and of the opposition asking us to point out the various works which would be necessary in our constituency in order to assist the people. I replied to the hon. minister under date of August 15, 1931. He acknowledged receipt of my letter but he did not take cognizance of the requests which I had made and the suggestions which I had given.

I cannot see how we can abide by the dictates and requests of the government and pass this resolution without protest. We are being asked to extend for two months legislation which vests in the government all the powers which this house has over the control of public money. I have demonstrated the results which have been obtained from the administration of this act and I cannot conceive how we, representing our constituencies and having taken an oath to fulfil our mandates, can give to the government while parliament is sitting the rights granted under the constitution to this house. We are being asked to do away with the committees of supply and ways and means, the very bases of the parliamentary system.

Hon. members of the government have asked for cooperation but how can we cooperate when we do not know what amount will be expended and for what purpose? How can we cooperate with the leader of the government when he does as he pleases, even with his own supporters and refuses to accept counsel or advice from anyone? Most of the hon. members on this side who have spoken, and I think some on the other side, will agree that the gentleman who leads the government to-day wants to do it by himself alone. Hon. members have called him Nero and Mussolini, and the names of other absolute dictators in history. We have also called him Mussolini. For my part, last year I said what I thought of him and I do not want to say any more, because the people of the country know him well enough.

I protest against this resolution, and this is the reason I and other members have been carrying on this debate. We contend that if this resolution is passed, it means that we shall be giving up all the rights and privileges for which our forefathers fought in 1837 and for which a fight was carried on in England hundreds of years ago, in order that the representatives of the people might obtain control of the public money.

Mr. OSCAR L. BOULANGER (Bellechasse) (Translation): Mr. Speaker, I do not intend to speak at length on the legal and constitutional issue involved in this resolution. Others, better qualified and informed than myself, have already done so. I merely wish, on behalf of a population anxious to preserve its rights, privileges and liberties, the people whom I have the honour to represent, to protest in this house against the irregularity and abuse of authority which the right hon. Prime Minister of the Dominion of Canada (Mr. Bennett), in his unbounded self-conceitedness, is determined to perpetrate.

For over three hundred years, my electors have been deeply rooted in the Canadian soil, and at the time when representative government was established in Canada, in 1791, the county of Bellechasse was one of the first constituencies to be erected. That signifies that, for 140 years, the voice of Bellechasse has been heard in the struggle waged by the people against tyranny, oligarchy and oppression. Likewise, nothing is more highly appreciated, in the eyes of my constituents, than liberty, constitutional security and proper working of responsible government, because they have not forgotten the endeavours and sacrifices through which they won such privileges. They do not want to go back a hundred years; they will not stand for reaction; they are against any interference with our parliamentary institutions for the sole purpose of gratifying the vanity of a man who, in his frenzied love of power, wants to see to just what extent it is possible for him to impose his will and domination on a servile majority.

In those heroic days of our parliamentary history, at the time when our forefathers were relentlessly fighting to secure for the Canadians the right of self-government, the right to levy taxes and control the funds paid in by the people to the national treasury, the county of Bellechasse was represented by the distinguished patriot whose name has been mentioned during this debate by my hon. friend from Témiscouata (Mr. Pouliot) and by the hon. member for Hochelaga (Mr. St-Père), the Hon. Augustin Norbert Morin, himself a son of an unassuming farmer of Saint Michel de Bellechasse.

I would deem myself unworthy of the confidence in which I am held by the free and proud electors of my constituency should I not, following on the example set by my eminent predecessor and without aiming to raise myself to his level, protest with all my might against the unfairness of this pernicious legislation now introduced by the Prime Minister and through which he is attempting to compel the representatives of the people to give up their inherent right to the control of public funds, a share of which is being contributed by my own electors.

To the Prime Minister may I say that he is playing a most dangerous game. If ever there was a time when peace should prevail in the public mind and when the greatest care should be taken not to cause perturbation, disagreement and discontent, it is surely during this period of hard times we are experiencing at the present time.

Mr. LAPOINTE (Translation): Hear, hear.

Mr. BOULANGER (Translation): The Prime Minister should remember that this is no time for rash action, that this is no time for him to test the extent of his power, for "they who sow the wind shall reap the whirlwind." Instead of encroaching upon our government system and of introducing reckless measures, the Prime Minister should endeavour, in these hard times, to proceed along regular lines and abstain from any novel departure likely to unduly magnify, in the public mind, the seriousness of the situation. Such was, during the war, the policy followed by statesmen who were well worth the present Prime Minister, and as was already pointed out, by this resolution, the Prime Minister is attempting to assume power a hundredfold larger than those enjoyed by Sir Robert Borden under the War Measures Act and the War Appropriation Act.

The Prime Minister should not, also, be unmindful of the lessons of history. One cannot, with impunity, offend public feeling, nor can one hurt with impunity that sense of justice and freedom so deeply rooted in the hearts of every Canadian. One cannot, with impunity, ignore the system of government we owe to the wisdom of our ancestors nor could one demolish such barriers as the people have seen fit to erect against the tendency to absolutism on the part of the executive. The Prime Minister should recollect that the movement which took place a hundred years ago in connection with the control of public expenditures by the peoples' representatives led to the rebellion of 1837-1838. And in support of this, I may cite the very words of Lord Gosford, governor general of Lower Canada in 1837, and therefore in a better position than anyone else to know the situation. In the debate that took place in the House of Lords on the union of the two Canadas, Lord Gosford stated that the chief responsibility for the rebellion was to be laid at the door of those who having, at the conquest,

monopolized all the money, all the power and all the important posts, persisted in governing the Canadians without their consent and participation. The following is an extract of the statement of Lord Gosford, as found in the history of Canada:

> There are, specially in Montreal and in the vicinity, a number of English speaking citizens to whom every liberal-minded and independent man must be hostile, whose acts and behaviour have been characterized by a spirit of domination over the whole population of French origin; they have continuously aimed at acquiring power and exercising patronage in the country. They are the men who must be held chiefly responsible for the troubles that have recently occurred.

I earnestly urge upon the Prime Minister of Canada to ponder over the events that took place previous to the rebellion of 1837, and to seriously consider the statement of Lord Gosford, former governor general of Lower Canada.

We are told, Mr. Speaker, that this measure must be passed in the shortest possible time, it being a matter of life and death for the unemployed and the farmers, and that any opposition to it means a delay in granting relief. I take the strongest exception to a threat of that sort, to that intimidation and duplicity to which recourse has been had so frequently during the last two years in connection with unemployment. It has been said, on this side of the house, that the government had organized the unemployed into a regular profession; more than that, they have used unemployment as a pretext and a justification for all their misdeeds. Every time the government wishes to camouflage any of their arbitrary acts, every time they want to work in the dark and frame some plot against our parliamentary institutions, they plead the same old excuse, the same old motive, that is the necessity of giving relief to the unemployed, to the farmers, and of rendering assistance to the needy in this country. I protest against that procedure on the part of the government and against such an exploitation of public distress, which is simply used to play politics.

It is needless to repeat, in the course of this debate, the offer so many times made by us to the Prime Minister to the effect that we are willing to vote any amount of money. We have offered, and still offer to him to vote supplies, provided he can give sufficient cause therefor. We are entitled to know from him the reason for the expenditures to be incurred by the government. We would feel remiss to our duty and, for my part, I would feel unworthy of the mandate I hold from my electors, should I not raise my voice against that mode of procedure on the part of the government and should I not, after the other hon. members who spoke before me, insist upon the government for a statement of their reasons and motives for the contemplated expenditures.

We have heard our hon. friends on the government side, the butter-makers of 1930, not to say the "buttery" promise makers of 1930, speak in laudatory, but senseless and ludicrous terms, of the Prime Minister and of "Bennettism." Instead of wasting such a torrent of praise, our friends, specially the government followers in the province of Quebec group, should have called upon the government to take action. I do not say that they should have appealed to the liberality of government, as they were in duty bound to do, but it would have been better for them to secure the aid of the government in behalf of the farming community of Eastern Canada, particularly of the province of Quebec represented by us in this house. I charge the government with having completely failed to do anything for the relief of agriculture in Quebec. The farmers in that province may not lament as loudly as those in some other parts of the country,—they are not in the habit of taking such political action,—but the fact remains that they keenly feel the hardships of the present depression, which has been made worse through the folly of high protection. If it be in order to give relief to other classes of the community, if it be fair to erect exceedingly high tariff walls for the protection of the manufacturing interests, for instance, it is equally fair and proper to afford the same measure of protection to agriculture.

The legislation we are now asked to revive is entitled: "The Unemployment and Farm Relief Act". I fear no contradiction when I say that the farmers in the province of Quebec have benefited in no way from the legislation we are asked to extend. Should it be revived, I am quite sure that it would not be more beneficial to the farming class in Quebec than afforded them the old act that expired on the first of March last.

Instead of entitling the act: "The Unemployment and Farm Relief Act" the government should, abstaining themselves from any camouflage and deceit, call it: "An Act for the relief of financiers at bay." In the course of this debate, it has developed that the act was used to come to the help of the bankers, insurance companies, financiers and bondholders in certain western provinces, rather than to actually give relief to the unemployed and to the farmers.

Mr. POULIOT: (Translation) For the relief of cement dealers.

Mr. BOULANGER (Translation): And for the relief of railway ties manufacturers.

If the government had been sincere in its effort to improve the conditions of the farming community, they would have done more than the small works undertaken, and they would have adopted means other than the makeshift measures carried out since the unemployment act is in existence. A few moments ago, I said that no benefits had accrued to the farmers of the province of Quebec from the enforcement of that legislation. I might perhaps qualify this statement to a certain extent, for some works have been attempted in winter time, such as, for instance, the hauling of gravel or other unimportant work in connection with road building. But such works, which are mere incidents, simple make shifts and palliatives, have not altered the conditions. At the most, a dozen of men in a parish, have been enabled to earn $10 or $12 working at these jobs in this time of depression. And yet that money was not earned by those who were in the greatest need, but by farmers in easy circumstances; and the reason why those who needed relief the most were unable to secure it was that, having no horses nor rigs of their own, they were ineligible to employment in connection with the hauling of gravel or other road work, all of which was undertaken in midwinter for the purpose of relieving unemployment.

I charge the government with having no comprehensive plan, no definite policy for the relief of unemployment, and particularly of agriculture. We have been criticized for our lack of suggestions to the government. If the government had listened to what has been said in this house last session, and during the special session of 1930, as well as to what has been proclaimed almost everywhere, on the hustings and in the public press, they would have realized that constructive suggestions have been made to them. For my part, I would humbly suggest to the government, —and that, obviously, after many others for the idea is not mine,—that the best way to bring relief to the farmers of Quebec would be to grant a bounty for the clearing and breaking of the soil, which premium would enable the farmers to live with the income from their holdings. In a section of my constituency, as is also the case in the southern part of Montmagny, Dorchester and L'Islet, the farmers' lands are not in a sufficiently advanced state of cultivation to support their owners. Until recently, the farmers in that district mostly earned their living in the bush; but for a year or two, the lumbering activities have ceased, on account of the depression, and the farmers, no longer able to work in the lumber camps and enjoying but a scant income from their farm, are now in the direst need. Last year, I raised that question in the house and I also discussed it both in public and in the press. But up to this time the government have not troubled themselves about that suggestion and did not draw any plan to carry it into effect. Instead of pledging the credit of this country for the security of the bondholders of the western provinces, instead of spending enormous sums of money in railroad ties or to increase the strength of the police force, for instance, the government would be well advised to appropriate a certain amount in order to carry through the suggestion I have already made and which I am repeating now after many others. The government should cooperate with the provinces with a view to granting a clearing bonus to farmers whose lands are not sufficiently cleared to keep them alive. With such a bonus a farmer could clear let us say thirty or forty acres of his land, and when a farmer has enough land cleared, then all he has to do is to cultivate it, and he is assured of a livelihood. That is one permanent means of relieving distress among farmers. It would be far better than the contrivances and palliatives hitherto used. That would be a good investment, the capital would not be wasted, it would be effective and profitable, whereas, up to this time, we have simply thrown money away. The government thus could keep a great many farmers permanently on the land, who otherwise, unless we give them some assistance, will have to leave their farms and go to the cities where they will add to the number of unemployed and those who are a public charge. Some will say: "What is the use of having the farmers rooted in their lands? What is the use of promoting a back to the land movement? What is the use of encouraging former farmers who live in the cities to take to agriculture again, since the prices of farm products are so low and the products so hard to sell?" This is my answer: "Even though farm products are cheap, even though farming is not profitable, at least a man can earn his livelihood more easily on the land than in the cities and towns; a farmer is in a better position than the poor laborer who has no work or the mechanic who is unemployed. The latter have to pay for everything they need, even for the water that they drink. In the countryside, they get all that from the soil. The farmer can get enough to eat, he is

sure to have some bread on the shelf and pork in the salting-tub. He is sure of getting vegetables and also wood to warm his house, and that requires but labour on his part. Thus it would intensify the clearing of land and the government would secure a permanent livelihood for a great many people. By cooperating with the provinces for the granting of a clearing bonus to farmers, that would induce them to cultivate a greater acreage; they would become real farmers thinking only of improving their land and living on what it may yield, and that would keep them awey from the shanties; because, after all, a farmer has nothing to earn by going there. Cultivating the soil is the traditional mission of our people in the province of Quebec. They are not shantymen, they are not manufacturers, nor mechanics; the only avocation in which they will succeed and for which they are qualified and competent, is farming.

Mr. Speaker, not only could the government cooperate with the provinces for the granting of clearing bonuses in order to expand the land under cultivation, but they could also grant ploughing bonuses for the purpose of inducing the farmers to cultivate more and to improve their lands and thus add to the productive wealth of Canada.

I was speaking a moment ago about the back to the land movement. It is a good way of relieving decidedly and permanently the unemployment situation, and the government ought to foster that movement. The hon. Minister of Immigration (Mr. Gordon) has already commented upon this policy for the return of former farmers to the land, and I congratulate him for it. It is a good move on the part of the government, we give them credit for it, and we appreciate what they have done along these lines. But it is not enough, and the government should intensify that movement and cooperate with the provinces, more especially with the province of Quebec which has done wonderful work in that direction. The province of Quebec has reinstated on the land about five or six thousand families of former farmers who were merely existing or starving in the towns; the government of the province of Quebec helped them to return to their farms where they have become an asset for their country, instead of remaining idle or being a public charge in the cities. Such is the bold suggestion that I am making to the government for the purpose of curing unemployment. I have another suggestion to offer. I would like the government to try and stop the centralizing of money in the hands of a few individuals.

Mr. POULIOT (Translation): Hear, hear.

Mr. BOULANGER (Translation): That practice has completely changed our rural life. Money has been drawn from the rural districts to the cities, where it has been centralized in the hands of a few. In the past, in every rural locality there were small local industries: one was building carriages, another was making furniture or spinning wheels; there were makers of agricultural implements and of many kinds of household tools, and all these small rural industries were drawing their livelihood from the rural population. But the withdrawing and centralizing of money have completely ruined that rural industry. The centralizing of money in the hands of a few has enabled them to set up trusts and monopolies that are ruining the small rural industries. So much so that the people in the rural districts now buy their bread from the bread trust, and their meat from the grocery trusts in the cities; and the same may be said of shoes and clothes. The trusts and monopolies of the large centres, the establishment of which was promoted by the banks and the financial institutions, have ruined the small rural industry and rural trade as well. It is a bad thing for a country to have all the money and all its inherent power thus centralized.

I was just saying that this centralization had fostered trusts and monopolies which have smothered rural trade and industry. For instance, everybody knows that most of our banks have trust companies as subsidiaries with the same directors or almost the same. The funds of these subsidiary companies belong to the banks or rather to the banks' depositors. When a man wants some money, or when a company wants to issue bonds, the bank refers them to this trust company which is in a position to impose its own terms, and often drastic terms. It is through these trust companies that the banks, by using the money of their depositors, establish the monopolies I was complaining about a moment ago.

I remember when the Prime Minister, last year, denounced speculation. He said that speculation was one of the principal causes of distress in the western provinces. He stated that the western farmers had speculated too much on their grain and they had bought too many implements, pianos, radios and other similar articles, on the instalment plan. That is the cause of the present distress in the western provinces. Speculation has been the misfortune of the rural population, according to the Prime Minister. When a poor farmer gambles on his crop or buys a radio on the instalment plan, they call it blamable speculation; but when it is suggested to inquire

as to the way the banks, the trust companies or the insurance companies use the people's money for the purpose of stock-jobbing and speculation, it is altogether different, and the Prime Minister then says that we are hurting the credit of the dominion, and that we should not talk about these things in this house.

Mr. Speaker, I took the opportunity, a moment ago, to congratulate the hon. Minister of Immigration; but I am afraid that I shall have to find fault with him now on another point. If it is necessary to give a blank cheque to the government, and, without any explanation, to let them free to spend all the money they want without accounting for it, for the purpose of assisting the unemployed and relieving a supposedly terrible and urgent situation, it seems to me that this is not the time to open our doors to the immigrants and further to increase the number of unemployed that we have to feed. That is why I am bound to blame, to a certain extent, my friend the hon. Minister of Immigration for the statement he made in this house some time ago, and also for another statement which he made earlier in the session.

Mr. POULIOT (Translation): Do not hesitate to blame him.

Mr. BOULANGER (Translation): The hon. minister probably wanted to echo the words of Mr. J. H. Thomas, Secretary for the Dominions in the British government, when the latter asserted that if Canada wanted to sell its wheat to Great Britain, it would have to accept, in exchange for it, a large number of British unemployed whom Great Britain is obliged to feed. The hon. minister, returning the statement of Mr. Thomas, declared in this house, in the early days of this session, that he would never close the door to British immigration. I beg to differ completely with the hon. minister on that point. Undoubtedly I have nothing against British immigration and I am not adverse to people from overseas, but, in my opinion, if it is necessary to adopt extraordinary, bold and mischievous measures such as this one, this is not the time to have our doors wide open to the unemployed of Great Britain and to bring them out here only to increase the number of those whom we have to feed.

As the hon. Minister of Railways and Canals (Mr. Manion) said the other day, 27,500 immigrants came to Canada during the last year, while we have already over 500,000 people out of work. It is 27,500 people too many. The government should have barred them out, more especially when you think that at the present time we have to send back every day hundreds of emigrants who came here and were unable to live in this country. I personally can testify to it, as I have seen it when returning home on Fridays on the Ocean Limited, the great Canadian National train going from Montreal to Halifax and Saint John. There are always one or two cars hooked to the rear of the train, full of emigrants that the Dominion government is obliged to send back at the expense of this country. However the statements of the hon. Minister of Immigration (Mr. Gordon) are no surprise to us who have been in this house for a certain number of years. During the election of 1930, our friends tried, particularly in the province of Quebec, to take advantage of the question of immigration, and endeavoured to show that the Liberal party was responsible for the great number of immigrants that came into this country under their administration. But we, who were in this house when hon. gentlemen opposite were sitting on this side, know that the Conservative party, in 1928, had a committee of inquiry appointed by this house with a view to finding means of accelerating the immigration to this country. We know that the Conservative party was censuring at that time Hon. Mr. Forke, because he was not bringing in as many immigrants as in 1912, for instance, when the Conservatives were in power. The year 1912 was always the record year, the standard year which our friends were describing as the ideal goal. They were always reproaching us with doing too little or not as much as the Conservatives did in 1912, and they insisted so much that they secured an inquiry before a committee of this house for the purpose of finding means to increase immigration to this country. They very severely censured Hon. Mr. Forke and I remember the very harsh and very offensive words which the present Prime Minister directed against Hon. Mr. Forke when he accused him of lacking competence because he did not equal the immigration record set by the Conservatives in 1912.

An hon. MEMBER (Translation): It is true.

Mr. BOULANGER (Translation): Regarding the immigration of these young boys which the hon. Minister of Immigration mentioned the other day, may I be allowed to read a letter of protest from the Anglican bishop of Montreal. This is what Bishop Farthing said:

When one has seen hundreds of these boys in the bread line in Montreal during the past year, when one knows that a good number of them have been sent back to England to their own families by the generosity of private

citizens, to say nothing of those who have been deported by the government; and when one sees now a large number of these boys are depending upon public charity, one feels indignant indeed that 500 more should be brought out to share the fate of those who have come in the last few years. No doubt some of the boys brought out have been comfortable on farms, but there is no doubt either that many of those who have been brought out have left the farms in the west and in Ontario, and even some in Quebec, and that they have been drifting from place to place, depending on the charity of the people. I cannot imagine a worse moral influence to which a boy could be subjected than to lead the life of a tramp, stealing rides on the railways from place to place, having no home, no one to be responsible for him, often times falling in the worst elements of our community.

One is thankful for the efforts which are made in many cities to try to help these boys. If there are situations for 500 boys from the old country, why not give these places to our own Canadian boys and those old country boys who are out of employment here now? Why bring 500 boys between 14 and 18 years of age to face the conditions of Canada as they exist to-day? Many of them will gravitate into our large cities and share the experiences of those drifters who have passed through the past two or three years.

It seems to me criminal to bring these boys out. I am told that it is necessary to bring them in order to avoid the danger of various immigration organizations becoming disbanded. These boys are then to be offered as sacrifices to keep together immigration organizations of various kinds. Surely it would be better to disband every organization rather than to keep them together at the expense of 500 old country lads.

There will be no difficulty in reorganizing immigration societies when the country revives and the time comes to encourage immigration; I appeal to Canadians of all classes to unite and enter an emphatic protest against what seems to me to be a most unwise and unjust action, and one which under existing circumstances will do a great wrong to defenceless lads.

I add that to encourage the immigration of these young men would be unjust not only to the young men themselves, brought here when things are at a low ebb, but to our own young Canadians. If the government have money to help these young immigrants let them spend it first of all to give employment to our own youth, to help them finish their studies in our colleges and universities and to acquire a genuinely Canadian education.

Mr. Speaker, I have another suggestion to offer the government looking towards the betterment of farming conditions. We are to have an Imperial conference this coming summer. Trade between the different countries of the empire is an excellent thing, and I hope the Prime Minister gets what he wants; but, permit me, I have my doubts on that score. Are we to believe for instance that the Irish farmer will readily give way before the Canadian producer on the British market? Can we expect the British consumer to buy our Canadian products in preference to Denmark's butter and bacon, Holland's cheese, and the early vegetables and fruits from Britanny and Normandy? You cannot go on endlessly fighting against geographical conditions and no matter what artificial arrangements may be made in the way of customs duties, Denmark, Holland, Britanny and Normandy will still be close to the British market and Canada will still be at a great distance. The suggestion I make to the government is this: While developing empire trade let them give a thought to Pan-American commerce. Although we may make much of belonging to the British Empire it must still be borne in mind that we are on the American continent, the natural outlet for our products, in preference to Europe and the other continents. I ask the government to bend their efforts first of all towards finding markets for our Canadian products on the American continent.

The other day I noticed in the leaflet that the hon. Minister of Trade and Commerce (Mr. Stevens) has handed to us each morning, and which I find very interesting, that the Minister of Trade and Commerce complains that the high United States tariff prevents Canadians from disposing of their products in the neighbouring country. Here is one way in which the government could improve Pan-American trade: Instead of raising the customs tariff against the United States why not conclude with them a treaty based on reciprocity? We should strive to develop commerce with United States before reaching out for more distant markets.

Mr. SPEAKER: The hon. member has spoken forty minutes.

Mr. W. C. S. McLURE (Queens): Mr. Speaker, it was not my intention to speak on this resolution, but according to Hansard the hon. member for Prince (Mr. MacLean) in the course of his speech last night said:

> I see my friends from Prince Edward Island on the other side and I know they will agree with every word I say.

I think the hon. member was taking a lot for granted in making that statement. While I do not know how many members on this side of the house will agree with him—and I am not interested in how many on the other side may share his views—in his attempt to justify the blocking of this resolution and consequent interference with the government in its endeavour to relieve unemployment, I say emphatically that I do not agree with his

remarks with respect to several matters relating to Prince Edward Island. Later on I shall give my reasons for this disagreement.

The debate on this resolution has partaken of a character quite different from what I had anticipated. At first I thought the resolution would be discussed from the constitutional point of view, and that the great legal minds from both sides of the house would enlighten us on this issue; but the debate soon became divested of all its legal robes and in a short time became clothed in a distinctly political garb. This has resulted in the debate covering a wide field, and several hon. members, especially on the opposite side, have seized the opportunity to put political propaganda on Hansard for the benefit of their constituents. Whether I choose to follow the constitutional line or the political, or whether I discuss the resolution strictly on its merits, I expect that the latitude accorded to other members will be accorded to me also.

I have listened to this debate for hours and hours, yes, for days and days, and now almost for weeks, and the more speeches I listen to from the other side of the house the more I am impressed with the sincerity of our hon. friends opposite in their stubborn adherence to their traditional attitude towards relief of the unemployed and the unfortunate of this country. The right hon. leader of the opposition (Mr. Mackenzie King) led off with a severe criticism of the manner in which the relief has been administered under the Unemployment and Farm Relief Act, and each of his supporters who followed him carried on the same line of attack. All seem to be imbued with the one idea—to stop the passing of any measure for further relief. Their whole object seems to be to obstruct the government in its endeavour to enact further legislation for the benefit of those of our fellow countrymen who are out of employment and in need as a result of this world-wide depression. Even admitting the sincerity of our hon. friends opposite—and they certainly demonstrated it as each one took up the cudgels for his party—I cannot understand their uncompromising opposition except on the ground that they are determined to adhere to their time-honoured policy of "not a nickel for the Canadian unemployed." That is their policy, apparently, and their stick-at-it-iveness dates back many years. I have been in this house only since 1930, but during that session the Liberal party argued strongly against any form of relief, they adopted the same course in the session of 1931, and now in this session they are still running true to form and proclaiming their favourite policy, namely, "not a nickel for the Canadian unemployed or those in distress."

Several hon. members have informed the house how the Unemployment and Farm Relief Act has worked out in their constituencies. Last night the hon. member for Prince (Mr. MacLean) touched on this subject very gingerly with reference to the province of Prince Edward Island. He made a few remarks about unemployment in that province and said some complaints had been made with reference to the work carried on, but he said he did not know whether or not the complaints were well founded. I believe the hon. member knew very well that the unemployment relief work in his constituency, and in the island in general, was carried out solely in the interests of the unemployed and the deserving, and that it was absolutely satisfactory. With reference to the constituency of Queens, which I have the honour to represent, the relief work and the resulting benefits to the unemployed were simply godsends in a time of distress.

The proportion of federal funds allocated to Prince Edward Island was small in comparison with that allotted the other provinces, but possibly this was due to the fact that ours is an agricultural province and did not have so many unemployed as the industrial provinces had. But we did have unemployment; when we did get our allotment it was a great help to those people who were anxious to work, and we had very satisfactory results indeed. The people in my constituency and throughout the entire province as well were loud in their praises of the Department of Labour and the federal government with regard to the way in which the relief measures were carried out; every dollar of money coming from the federal government, the provincial government and the municipalities was spent entirely in the best interests of those who were unemployed, and there was no question of creed, class or politics when a man was looking for work. If he was out of work and in need the local government and the committee in charge asked no questions as to whether the man was a Grit or a Tory; they simply gave him what work was available, and everyone seemed quite satisfied with the way this work was carried out.

Some hon. member speaking in this house the other day made the statement that this money was wasted. I do not believe the hon. gentleman really meant that, because I claim that any money spent for the benefit of the poor and needy is not money wasted but is a gracious act on the part of whatever government granted that money. In 1931 we had a

Conservative government in Prince Edward Island and certainly they fully cooperated with the federal government, but in 1930 there was a Liberal government in power in that province. I want to be just as fair to the Liberals as I am to the Conservatives; I believe that in the expenditure of unemployment relief moneys in 1930—and I will speak for my own county in particular—the Liberal government did the very best they could and were absolutely fair in the distribution of work. I think it ill behooves anyone from Prince Edward Island to say that a man had to be of the proper political complexion in order to get work, because the facts show that any man seeking labour found it if work was available at all, irrespective of politics.

Last night the hon. member for Prince also placed on Hansard some remarks with reference to local conditions in Prince Edward Island. There was one statement I have heard him make time and time again; it is with reference to the generosity of the late Liberal government so far as the province of Prince Edward Island was concerned. I think the hon. member brought out that old chestnut last year, and in case he repeats it so often that he begins to believe it himself I should like to make a little comparison in this connection. I am sure when we compare the grants made to Prince Edward Island by different governments we will see that the generosity of the Liberal government was not so great as the hon. member for Prince would endeavour to have us believe. I should like briefly to compare the federal grants to my province in the year 1922-23 and the year 1929-30. The statutory subsidy was $381,931.88 in both years; it is fixed by the British North America Act and will remain the same until that act is changed. In 1922-23 the highway grant amounted to $106,277.01, but in 1929-30 this grant was discontinued by the Liberal government. In 1922-23 the grant for agricultural instruction and technical education amounted to $37,607.68, while in 1929-30 that grant was cut to $22,117.30. So we see that in 1922-23, as a result of legislation passed by a Conservative government, Prince Edward Island received a total grant of $525,816.57, while in 1929-30 the total grant was $404,049.18. Even if we include the interim payment of $125,000, granted in lieu of the fulfilment of the recommendations of the Duncan report, we find that under a Liberal government in Ottawa the province was very little better off than it was in 1922-23.

During the course of his remarks the hon. member stated that the Duncan report had not been implemented by the Prince Edward Island government, and he intimated that the Conservative government of that province should have come to Ottawa in order to see that the recommendations of the report were carried out. During the election campaign of 1930, the candidates of the Liberal party in our province went from one end of the country to the other, declaring that the Duncan report had been implemented one hundred per cent. Now the hon. member for Prince goes back on that statement, for he is urging upon the government of Prince Edward Island that they come to Ottawa and have the report implemented. That was their campaign policy in 1930, and I repeat emphatically that nothing has ever been done for Prince Edward Island from a political point of view, nor have any grants ever been made to that province, except through legislation put upon the statute books of the country by the Conservative party in power in Ottawa. I will admit that the Liberal government gave us an interim grant of $125,000 in lieu of the Duncan commission's report, but that was made to our province as a political gesture prior to the election. We were told during the election campaign that the Liberal government at Ottawa had a large audit committee figuring out the great grant that was to be given to Prince Edward Island. We heard this all through the campaign of 1930, and one would have thought listening to the Liberal candidates on that occasion, that half of the civil servants of Ottawa were employed on this audit committee. One night I challenged one of the candidates on the platform; I told him the facts regarding the matter and I said to him on that occasion that it was only Liberal political bunk they were handing out for election purposes. I was told then that it would be my fault if no further grant came from Ottawa, because I had described this audit committee as bunk. However, we do not expect at the present time any further implementing of the report under the conditions that exist, but as soon as any signs of improvement are noticeable we shall expect, and we know that we shall receive the fullest implementing of the Duncan report not only with respect to the maritimes generally but so far as our own province in particular is concerned.

The unemployment problem is one of the most serious that the world has ever known. In this house we have heard many speeches on the unemployment situation, but we should all take into consideration one thing, and apart from politics it should be the endeavour

of every hon. member to work out some solution whereby the problem may be met in this fair Canada of ours. The other day, speaking in this house, the hon. member for Kenora-Rainy River (Mr. Heenan) said a great many things with reference to unemployment and labour, condemning the Conservative party and the policy of the present government with regard to this question. As reported at page 435 of Hansard, he said:

I know that my hon. friends on the other side are all recently converted to the idea of doing something for the working man.

We will take that for what it is worth, but I regret to say that the hon. member for Kenora-Rainy River and his followers have a long way yet to go on the road to Damascus before the scales will fall from their eyes and their conversion will take place in connection with the unemployment situation in Canada. It is all very well to criticize the government and their policy on unemployment, but it would be worth while, if we had time, to study the attitude of the present opposition towards this problem. It is not necessary, however, to go over all this ancient history; suffice it to say that, through the press and Hansard, future generations will know just what attitude the Liberal government took towards the unemployment situation and those who were in distress in this country. Their policy with regard to the unemployed was simply this—not a nickel of aid to those in distress.

Canada has always had a certain amount of seasonal unemployment, but from 1924 down to the year 1930 the unemployment problem had been going from bad to worse throughout the length and breadth of this country. We recall the climax that was reached in February, 1930, when the mayors of the leading towns, from Sydney on the Atlantic to Vancouver on the Pacific, and especially in midwestern Canada, came to Ottawa. These chief magistrates were supported by labour organizations, churches and various societies engaged in relief work. They could not cope with the situation and therefore came to Ottawa and pleaded the cause of the unemployed. They tried to get some relief from the then government. What happened? The hon. member for Kenora-Rainy River, who was then Minister of Labour, and the government of which he was a member, turned a deaf ear to the pleadings on behalf of the unemployed and the needy. The government of that day preferred to go on with their bungling trade policies and so did not lend any aid to the unemployed in 1930. I mention this climax to show that unemployment has been a growing problem in Canada over a number of years; it is a problem which was bequeathed to this government by the late administration after the election of 1930. Besides world conditions which have been a cause of unemployment, the factors next in importance, contributing to the present situation, have been, so far as Canada is concerned, the trade policies of the late government.

Let us consider the immigration policy of the late administration, especially as it affected unemployment. During the nine years they were in power they brought into this country over 1,250,000 people to replace the labour of almost the same number of our own people. While we have no objection to immigrants entering our country, we do object to their coming in when there is not sufficient work for our own people. Why bring in other people at such tremendous cost to the country? During those years about $26,000,000 was spent on immigration. What effect did it have? It had the effect of driving out of Canada over one million people; these men and women left Canada to seek employment in other countries. When conditions got bad in the United States and the other countries to which these people had gone, many of them were forced to return to Canada and they are being included in our unemployment lists.

The trade policy of the former administration proved to have a very bad effect upon the employment situation. Their policy was one of flirting with free trade, and they paid no attention to what effect it might have on home conditions. Because of this policy hundreds of factories have been closed during the past ten years, and thousands of workmen thrown out of employment.

We are proud to say that the immigration and trade policies of the present administration have proven to be most statisfactory. The hon. Minister of Labour (Mr. Gordon) has made the statement that the influx into this country practically had ceased and it would not be allowed to commence until such times as Canada could take care of her own unemployed. Hon. members of the opposition should give credit to this government for the inauguration of new policies with reference to immigration and trade. Under these policies industry is again starting to develop and we are looking to the time in the very near future when it will be able to take care of all who are unemployed at present.

Canada has had to face problems before but she has always endeavoured to work them out to the best possible advantage. One must have faith in a country with great natural

resources, and I have faith in Canada. I have the greatest faith in the government of the day because this country is fortunate in having an administration which can take care of the problems facing the country and solve them to the advantage of the unemployed. I was interested in an editorial which appeared the other evening in the Ottawa Citizen, and from which I shall quote in part. This paper, apparently having sensed public opinion with regard to this debate which has been continuing for so long, says:

> It is safe to say that the majority of Canadian people are more concerned with Mr. Bennett's efforts to find the way out for Canada than with the Liberal party's protests about the rights of parliament as the controlling authority of government.

And again:

> Without worrying too much about the opposition's constitutional criticism, they may well look to Premier Bennett to go on trying to carry out the mandate given to him to abolish the evil condition of unemployment in Canada.

The opposition to this legislation is causing the greatest distress to the unemployed and needy throughout the country. As far as I am concerned, this opposition can continue for weeks, but it would be better for those who oppose and for the country generally if they would say what their stand is with reference to unemployment. From the speeches which have been made from the other side, we know that they are opposed to the granting of any relief at the present time.

Mr. POULIOT: No, not at all.

Mr. McLURE: We have heard from one county only.

Mr. POULIOT: I am speaking for all.

Mr. McLURE: They should cooperate to see that employment and relief are given, and they might well join with those on this side and be a party to the granting of relief to the unemployed.

Mr. JULES DESROCHERS (Portneuf) (Translation): Mr. Speaker, when I rise to speak on this resolution I feel that I am, as has been intimated by the hon. gentleman who has just resumed his seat, one of those who are obstructing the adoption of this measure and do not wish to cooperate with the government. To my leader, to my friends and colleagues on this side of the house I offer my sincere congratulations and my thanks for the able manner in which they have participated in this debate and also for the life and spirit which characterized their speeches.

The people at large, and the backbiters at any rate, will stop saying that we have shown too much speed, if not too much weakness, in the debate of this blank cheque given last year to those who were asking for it in our national interest, when it was urgent and when parliament was not in session. It was the universal remedy that was supposed to cure everything, unemployment and every difficulty; it was still intended to maintain peace and good order and to bring to our door all the fruits of the garden of Eden.

To-day we know by experience the utter nonsense of those contentions and, notwithstanding the statements of our friends opposite, it seems well proven that they completely failed, if not already after having spent so many millions of dollars, surely in the near future and throughout the width and breadth of our Dominion.

We are not surprised to see that they enjoy this system of blank cheques and orders in council; it had to come; the machine runs so smoothly when there is only one conductor. But everything must necessarily end and here we are with this bill No. 58 which has expired. The remedy is simple though: a brief motion of four lines and the phoenix will rise from its ashes, and parliament will have to bow down.

But, my friends, you have shouted: Stop! And I feel that in our country, from one end to the other, a unanimous voice approves you, your speeches so full of national pride, delivered in the two official languages and stating the will of all the nationalities that are to be found in our Dominion. I feel sure that already, from one ocean to the other, your ideas have been received and accepted.

Mr. DORION (Translation): We even listened to some speeches delivered in the Iroquois language.

Mr. DESROCHERS (Translation): The hon. member for Quebec-Montmorency is just venting his Iroquois disposition.

All those who cannot hear and who cannot see—and I wonder why they are not dumb also; perhaps it would have been much better—are there on the other side; they form a small group taking an impassive attitude and trying to be whimsical just to put on a countenance.

But here is the point: with figures and data all those who spoke before me have proven the futility of the measures heretofore adopted to relieve the unemployment situation; they have fought against the danger of having this country administered by a small group seeking to substitute themselves for the house in

session—for two months only; but would that be a cure for all our ills?

As for me, Mr. Speaker, I shall endeavour and do my best to show that we are unjustly charged with what is called obstruction. I shall try also to show if it is at all possible to work hand in hand with people so minded. But, Mr. Speaker, to obstruct signifies putting something in the way and, when the point at stake is the retaining even of a small particle of our constitutional rights and our parliamentary privileges, is there a reason to deny us the duty of so doing? What was the impression made not very long ago by those allied nations who sacrificed so many of their sons to safeguard the invaded countries? They were defending with all their might civilization injured through the infringement of treaties. They had recourse to obstructive methods but, thank God, if some Germans are to be found here it is not on this side of the house. As in the days gone by we are proud to stand up and be an impediment and we shall fight to the end, even for a whole month if necessary, before we adopt a measure which implies inefficiency and the uselessness of this house in session. So easy would it be to adopt the usual practice followed in this house; but it is said—

Mr. DORION: Beauharnois.

Mr. DESROCHERS (Translation): It seems to me that the hon. member for Quebec-Montmorency (Mr. Dorion) should show a little more respect for those who speak in this chamber. He must not forget that, politically speaking, he is still a suckling.

Mr. DORION (Translation): And you, you are still lingering in prehistoric ages.

Mr. DESROCHERS (Translation): Dixit Deus! The obstacle must fall before a servile and subdued majority. It will be at least gratifying to know that we have done our duty and Hansard will bear witness to it. Honour is safe!

So, Mr. Speaker, it is in that spirit of domination beyond measure that they are asking for our cooperation? Or else, would the members of the government have in mind some other kind of cooperation that is still unknown to us, poor human beings? Until now, cooperation meant work in common, and, so far as we are concerned, there is only one sort of cooperation, that which is based on good will and good faith. Then, how can you work hand in hand with any one who seeks isolation by requesting the maintenance of this do-as-I-please government? Cooperation is so contrary to the mind of hon. members opposite—Tories or Conservatives—that even their principles lead us to the antipodes of cooperation.

Gentlemen, if you care to do it, cross over to this side of the house with whatever good will and good faith are left in you, and kindly accept the assistance of these long established Liberal tenets: Respect for the law, respect for the constitution, respect for the house in session; and the obstacle will immediately fade away. Give us some expression of your good faith and good will and we will cooperate with you. Leave the abode of the false deities, come down into the realm of man and human misery, and you will find us ready to help you.

In concluding, Mr. Speaker, after the protests voiced by my friends and my party against this measure that is submitted to us, allow me, on behalf of my constituents of Portneuf, to lay a particular complaint before the government: The workingmen of La Tuque have been sending you petitions and telegrams for the last several weeks, which have remained unanswered so far. Well, if the delay is due to our so-called obstruction, I may tell you that these good workingmen are too sensible to reproach us for having fought as we are fighting now, and they are too noble-hearted to allow their distress to be used as a lever for the destruction of our constitutional rights. They knew, when they granted me their votes, that they would never, under any circumstances, have the occasion to call me Judas.

Had I not already spoken so long, Mr. Speaker, I would ask hon. members opposite—lord and people, ministers and subjects—whether it would not be a good thing for them to go and draw a little light and philosophy from the teachings of Universal History. The present era resembles somewhat many others; a great number of potentates have fallen; many civilizations once perverted had to return to a sense of realities. Et nunc erudimini, you, who are emulating their example.

Mr. T. ADELARD FONTAINE (St. Hyacinthe-Rouville) (Translation): Mr. Speaker, I do not think I shall require the whole forty minutes allotted by the rules of the house to express my humble opinion on the merits of the measure that has been submitted to us and which we are now asked to consider and discuss. I need not make a very long speech to enumerate the reasons why we are opposing a measure of this kind, which may lead to the most serious consequences. There is above any other consideration a fundamental principle which we must bear in mind,

that of the legitimate control by the representatives of the people of the revenue derived from taxes imposed upon and paid by the people. In other words, parliament—not the Prime Minister (Mr. Bennett) or the executive—has the right to appropriate and control all the revenues of the country. That is the fundamental principle which the Prime Minister wishes to forget and to put aside, losing sight of the very important fact that the parliamentary system is in force in this country and that, according to our constitution, the right to appropriate public funds belongs exclusively to parliament. The transfer of powers involved in this resolution simply means a breach and defiance of a fundamental disposition of our constitution.

The government may notice that this resolution has caused a wholesale uprising of fighting energies against this arbitrary measure which is being perpetrated right under a system of constitutional freedom. This is the most arbitrary measure that a government could take in our country. It certainly is a challenge to the liberty which is guaranteed to us by the constitution of this country. Do we not remember the dissensions, the disputes and even the hatreds which the famous question of supply gave rise to. Supply must be granted freely by the house and to transfer that privilege to the prime minister alone would be equivalent to say that parliament has no reason to exist. To adopt a measure of this kind would simply mean that we are reverting to the unfortunate days of the Family Compact. One recalls how this aristocracy responsible only to the Colonial office in London administered the country's affairs. Land sales, mining operations, customs duties, taxes, in a word, all the country's resources were entrusted to the members of the "Family Compact." Moneys voted for the improvement of roads and highways were expended in other directions. In fact, one could not find out exactly how the money was spent. All these intrigues, all these injustices helped to bring upon us the dark, unhappy days of the rebellion. And it was to prevent for all time a recurrence of such calamities and similar persecutions in the parliamentary arena that our ancestors did not hesitate to fight, shed their blood on the battle-fields or forfeit their lives on the gallows. We can never forget the chapter they wrote.

Now, here is the wording of the resolution the honourable prime minister submits to this house:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

As everybody knows, parliament adopted in the closing days of the 1931 session, at the express request and upon the special representations of the Prime Minister, an extraordinary law the object of which, as represented at the time and as the wording of the law itself made clear, was to confer upon the government special powers relating to unemployment and farm relief as well as the maintenance of peace, order and good government. This is what the draft resolution submitted to parliament stated:

That it is expedient to bring in a measure to confer certain powers upon the governor in council in respect to unemployment and farm relief; and for the maintenance of peace, order and good government in all parts of Canada; and to authorize the governor in council to expend for the said purposes out of the consolidated revenue fund such sums as may from time to time be necessary.

The law adopted at that time in accordance with this resolution was to lapse on March 1, 1932. That is what section 8 of the said law enacted and it is this provision the honourable prime minister is now asking this house to amend by extending to May 1st next the time limit of this measure.

The simple recital of these provisions clearly shows this eighteenth day of March, 1932, that this law whose expiry was set for March 1, 1932, has lapsed, is dead and inoperative since several days. As a matter of fact, if in law, certain agreements, for example leases, can in certain cases, imply a continued tenancy without renewal of lease, the same procedure cannot be applied to a law such as this. Moreover, they are not asking this house to revive the law. Instead, they are asking parliament to modify, alter and amend a law that no longer exists, that lapsed on March 1.

Mr. POULIOT (Translation): Hear, hear!

Mr. FONTAINE (Translation): Here is a primary motive which from the standpoint of parliamentary procedure prevents us from considering and much less adopting a measure of this kind that is absolutely ill-grounded. One can invoke many other reasons against its adoption. May I be allowed to point them out as concisely and rapidly as possible, because many of the speakers who preceded me and whom, by the way, I congratulate upon their excellent speeches, have in the main covered the ground in a very able manner. If I may be allowed, I would like to mention especially the speeches delivered by the right honourable leader of the op-

position (Mr. Mackenzie King), the former Minister of Justice (Mr. Lapointe) and the hon. member for Labelle (Mr. Bourassa).

It is exceedingly regrettable, indeed, that the right honourable Prime Minister whose talents and industriousness we acknowledge should be intent on wanting to control and administer everything by himself. In so far as this authority relates only to matters of ordinary administration, it is true that we may possibly not have anything to do with such questions, but when things reach a pass where he undertakes, by measures such as those adopted last year and that submitted to us at the present time, to arrogate to himself the absolute and arbitrary control of the expenditure of public moneys, then it is an altogether different matter and constitutes an illegality parliament should not countenance. Such autocracy and such dictatorship have been denounced at sufficient length in the course of the present debate, and one need not dwell further on the subject. However, there is one aspect of this case which reminds me of a gallant English elector who was elected member under very exceptional circumstances. Historians chronicled this very peculiar election case in the following manner. (See Mignault, Parliamentary Law, page 95.)

It is said that an election being held, only one voter, except the sheriff and the returning officer, was present at the nomination meeting. The lone voter took the chair, opened the meeting, called the voters' roll, answered to his own name, and chose himself as member for the constituency. Being the only voter, he was elected by acclamation and the so-called representative of Bute county courageously sat at Westminster.

When we see the right honourable prime minister trying to assume absolute and dictatorial powers such as are conferred by this resolution, we would think that he is ready to revert a few centuries in the past, to go back to that period where such things, as the one I have just mentioned, could occur,

It has been said, and I repeat it, if through such wide powers as are conferred in respect to unemployment and farm relief, and the maintenance of peace, order and good government, the prime minister intends to follow his past attitude and avails himself of this procuration, this mandate or this authorization to do as he pleases without consulting parliament even when it is in session, our presence here is not needed and it is useless to waste money which could be put to a better use while the country is suffering from hard times, depression and unemployment.

It is to be regretted that the Prime Minister should want to discard the formalities and procedure which have always been followed by this house so far as voting and spending public funds are concerned. He has taken this irregular course, from the moment of his accession to power, that is during the special session of September, 1930. We all well remember what happened then. The government submitted legislation stipulating that a sum not exceeding twenty million dollars could be paid out of the Consolidated Revenue Fund of Canada to relieve unemployment in constructing, extending or improving public works and undertakings, railways, highways, etc., which would assist in providing useful and suitable work for the unemployed. This first step was contrary to the parliamentary procedure always followed in such cases. To obtain this money the government should have presented a supply bill first; then they should have pointed out clearly what they intended to do with the money; and finally it should have been stipulated that this amount was only available till the end of the fiscal year. The opposition wanted to consider the measure and to raise some objections, even if they concurred in the principle of the bill or in the amount specified, but the right honourable prime minister having stated that if we delayed the adoption of the bill he would be unable to take part in the London conference, this unemployment legislation was immediately passed.

The second false step was taken by this administration towards the end of last session, when the right hon. Prime Minister, for the same reason, that is in respect to unemployment and farm relief, etc., asked parliament to confer on him the wide powers which would enable him to remedy all evils before the next session. It was rather strange that unemployment should still exist at that time, because the right hon. Prime Minister had promised during the election campaign of 1930, that he would put an end to it. We can even say that his party was elected on that definite and formal promise.

The statements made then by the present Prime Minister shall not be soon forgotten. On one occasion after having stressed the fact that there should be no unemployment in a rich country like ours if the government discharged its duties as it should, he added:

The leader of the Liberal party promises consideration of the problem of unemployment, to call a conference to this end, etc., but I promise you to put an end to unemployment or to perish in the attempt.

Later he found out that the crisis could be due to other causes than negligence on the part of the government, and last session in

one of his speeches (Hansard, page 780), he said that speculation brought disaster in its wake, and he added:

It is known that over $400,000,000 of Canadian money was lost last year by speculation in Wall street.

This was almost two years ago. What have been the results? What has happened? Alas, the very opposite of what was expected happened. Not only is the unemployment problem unsolved, but it is getting worse; unemployment is increasing at an alarming rate. And as to farming; it has never been so completely and entirely stagnant as it is to-day.

And this is the moment chosen by the government to advance another step along the road of irregularity, as I was saying a few moments ago. But if they had some slight excuses to follow that course, in the two first instances, they had no reason whatever to keep on ignoring the constitution and the parliamentary usages and, at the same time, to trifle with the privileges and prerogatives of members of parliament.

Taking this stand and behaving towards parliament as he does, the right hon. Prime Minister surely cannot feel hurt at being designated by such terms as dictator, autocrat, sultan, etc.; or at being compared to Mussolini, Lenin, and to other potentates. Having presented legislation so arbitrary, unfair and radical in character, he should not be surprised if he is given such names. Some of his supporters are shocked on that account, but let them not forget that Liberals will never blame him half as much as did some eminent Conservatives in years gone by. The late Sir Sam Hughes, for example, who was Minister of Defence in a Conservative government, did not hesitate, in 1917, to speak of the present Prime Minister from the floor of this house, in the following terms:

He has brought bad luck to all enterprises, companies and capitalists with whom he has been associated. He is the most striking example of failure in public life which has ever taken place in the Dominion of Canada.

The members of the opposition have said nothing during this debate which at all compares with the preceding paragraph.

The hon. member for Labelle (Mr. Bourassa) pointed out the other day, while speaking on this resolution, that it was very strange to note how lightly the Prime Minister considers our parliamentary traditions to-day, whilst he availed himself of every opportunity, when he was leader of the opposition, to show off as a staunch champion of the British parliamentary traditions, to invoke this or that precedent to induce members to respect the fundamental basis of our parliamentary institutions. How could such a change come about in this man? We may very well say in this case, "Quantum mutatus ab illo"? But this is not the only instance where he has changed his views or his ideas.

Let us take immigration, for example. On this question as well as on many others, the right honourable Prime Minister is entirely at variance with himself. Last session he stated that the admission of over 100,000 immigrants in this country, in 1929, and during the first seven months of 1930, and the lack of foresight on the part of the last administration, were two of the principal causes of the present depression. On the 21st of April, 1931, at pages 783 and 784 of Hansard, he is reported as follows:

Let us go a step further and examine one of the great causes of conditions in this country. How many people do hon. members think were brought into Canada from continental Europe, in the year 1929 and seven months of 1930, preceding the time we assumed power? Let me place before the house one statement shown by figures I have in my possession. Do hon. members realize that during that period of time 104,556 people came into this country from central Europe? They came here, and they are now largely being kept by Canadians.

Some hon. Members (Translation): Hear, hear.

Mr. Bennett (Translation): Most of them are being kept—not all of them—by Canadians, with our taxes. The howl that is heard in some quarters about direct relief arises from the fact that the government of 1929 and the early part of 1930 could not foresee what was coming. They brought them here in increasing numbers for us to feed.

Moreover the hon. Minister of Labour (Mr. Gordon) stated very recently in this house that this immigration, which took place a little before 1930, was mainly responsible for the unemployment problem. On February 23, at page 440 of Hansard, the hon. minister is quoted as follows:

What was the situation during the months just prior to this government coming into office? I think I am stating what was in the mind of every man who travelled within Canada when I say that the late government, not recognizing the condition that was becoming all too apparent, did not take any steps to curb the undisciplined flow of immigrants into Canada, which had been carried on for three or four years prior to 1930. I want hon. members of the house to remember this: During the sixteen months ended July 31, 1930, 221,561 people were brought into Canada, 99,367 of whom were adult males. This factor contributed largely to the unemployment problem.

Considering all these statements, it would be of interest to note what were the views at that time of our present Prime Minister, who

was then leader of the opposition, on this question of immigration. Allow me to quote on this subject an extract taken from a speech delivered in this house on February the 11th, 1929:

> We have here one of the largest undeveloped areas in the world; we have a very pressing necessity for more people. There need be no misapprehension about that, notwithstanding what has been said from time to time to the contrary. It will be found that the increase of population in this country, brought about through bringing additional people in, will not only lessen unemployment for those who are now in, but will increase all employment.

It seems very strange that when commenting on the speech from the throne, the Prime Minister, then in the opposition, criticized the government for not setting aside sufficient funds to encourage immigration.

There is no need of commenting at length over his words to prove that, at the time, the leader of the opposition, now the Prime Minister, worked strenuously to encourage immigration and to show that by such a policy we would decrease unemployment and create new openings for unskilled labour. He was not the only one among the members opposite to propound such a policy. On this same immigration question, the following views were expressed in 1929, by the hon. Minister of Railways and Canals (Mr. Manion), at page 2798 of Hansard:

> I am not complaining so much of the small number of British immigrants, as of the small number of immigrants, in general. . . . We can receive many times the number of immigrants of all trades that we are to-day receiving.

If our hon. friends opposite have found it possible, within a few years, to change their views and their policy on such an important question, I have no doubt that some day they will realize—when it will be perhaps too late—that the measure they have just introduced is greatly vexatious, arbitrary, unjust, ultra vires and outrages our most cherished parliamentary rights.

The hon. Minister of Railways and Canals in his speech on March 9, made an ardent appeal to all the members on your left, sir, requesting their support on the present measure. To answer this invitation, I think it is first necessary to again point out that we are most willing, under the circumstances, to give the government our entire support in helping it to extricate itself from the difficult situation in which it finds itself. The opposition, therefore, has clearly shown and openly stated—this will be found in all speeches delivered—that we are ready to vote all the money that government may require to meet the situation. All we ask is that the customary procedure be followed by respecting the privileges and prerogatives of parliament. Otherwise, our presence here is not needed and the holding of this session is unnecessary. To despoil ourselves of these privileges and prerogatives in favour of the Prime Minister and his government would simply mean to be false to the mandate we received from those who have asked us to represent them in this house. This we cannot do.

I cannot understand the attitude of hon. members opposite. They know perfectly well, as we do, that one of the fundamental principles of self-government and which has been the cause of so many struggles in this country, so many sacrifices and so many heroic deeds on the part of our forebears—is that parliament alone possesses, by virtue of the constitution which governs us, the privilege, control and responsibility of the expenditure of public funds. And what is required from us to-day—by way of cooperation—is to concur, in the midst of a session, without any plausible reason, in a flagrant violation of the constitution. Again I repeat, this we cannot do.

But there is much more. Mention is made of precedents. It is again a minister of the crown, the hon. Minister of Trade and Commerce (Mr. Stevens) who, in his speech the other day, contended that a precedent had been created by the act passed at the end of last session. I cannot understand how the hon. minister can forget that the main reason given by the Prime Minister to obtain such a blank signature, was precisely that we were on the eve of prorogation and that he absolutely needed such extensive powers to maintain peace, order and good government after parliament had prorogued. I do not see the necessity of further insisting to show clearly that conditions have changed and that such a precedent cannot be invoked, if one wishes to be honest.

However, the argument put forth by the hon. Minister of Trade and Commerce, throws light on the real intentions of the government to resort to so-called precedents which are unfounded, and we have far more cause to very strongly oppose this measure. Since the government intends to authorize itself by such unfounded precedents, it is a further reason to be more watchful and wise and bring to bear more opposition to such measures and breaches that nothing can justify.

We are not to be deceived nor must we ignore that what is expected from us is nothing else but a blank signature so as to allow the Prime Minister or the cabinet—which after all is the same thing—to expend the public

funds as they please, no stipulated amount being mentioned. And, they seem astonished even shocked that such an unheard of measure finds opposition and is greatly criticized. But, sir, this year, we have other serious objections to such legislation. One of them, is the use made of this blank signature by the Prime Minister. To facilitate the adoption of this bill, last year, it was stated and guaranteed that its aim was to relieve the unemployed and farmers. How can they explain that, notwithstanding these extraordinary powers and a policy of high protection, unemployment has spread in an alarming way and farmers are in great distress?

It seems that the government made use of this exceptional act, to carry out, by orders in council, special measures in connection with banks, insurances, the mounted police, etc., matters which had nothing to do with the relief of unemployment and agriculture. To sum up, we can state without doubt that the government put up no valid reason to induce the house to adopt such an arbitrary measure, on the contrary, we have excellent reasons and good ground both as to the drafting and provisions of the bill, to oppose what I might call an arbitrary, vexatious, unjust and anti-constitutional measure.

I ask hon. members opposite not to forget, when voting time comes, the common hopes and trials of our forebears in the development of our country, the maintenance of self government, our political conquests, the struggles to uphold our rights which are now guaranteed by the constitution.

I trust that, in closing my remarks, I shall be allowed to quote the following beautifui words by Rameau:

> The living image of one's country which one bears in his heart is as indestructible as the human soul itself, like the latter it revives, expands and participating to its sublime nature escapes immortal from the clasp of tyranny and subterfuges of politics.

I trust that our friends opposite are numerous who, when voting times comes, will realize as good patriots that to support such a measure is equivalent to destroying what we hold most sacred in parliament, namely the constitution, the rights and privileges which are assured and guaranteed to the representatives of the people. As in the sad days of 1926, the people, when the reckoning day comes, will certainly remember this new assault against the constitution and contempt of the liberties, attributes, privileges, rights and prerogatives of this parliament and, that day, as in 1926, the great wave of the masses will sweep everything in its path. Then shall we register again with joy, a great Liberal victory.

Mr. A. L. BEAUBIEN (Provencher): As it is almost six o'clock, Mr. Speaker, I would ask you to be good enough to call it six o'clock.

Some hon. MEMBERS: Go on.

The ACTING SPEAKER (Mr. MacNicol): There are about twelve minutes yet.

Mr. BEAUBIEN: Then I am very sorry that I shall have to be discourteous to the Speaker by not attending his tea. I think one of the duties of a member of parliament is to do everything in his power to uphold the dignity of the Speaker.

In making a few remarks on the resolution before the house I intend to follow my usual practice and be as brief as I possibly can. This government is plainly in trouble to-day, and you do not have to go very far, Mr. Speaker, to learn that they are in trouble, for you can read it in the expression on their faces. When did that trouble start?

Mr. TURNBULL: You are wearing blue glasses.

Mr. BEAUBIEN: When my hon. friend from Regina (Mr. Turnbull) goes back to his constituency he will need a magnifying glass to find any elector who will vote for him unless the government soon changes its policy.

Mr. TURNBULL: You are a better politician than a prophet.

Mr. BEAUBIEN: We have one member of the house that mumbles all the time; I hope that we shall not have another one. The troubles of this government started during the election campaign, and those troubles were all brought on by the government themselves, and the biggest offender in that respect was the Prime Minister (Mr. Bennett) himself. In 1930 he spoke at Calgary. I shall not read all that he said on that occasion because it would take up too much time, and anyway most of what he said is not worth repeating because it has not been carried out. But he did promise in that address that he would find work for every man in Canada who was willing to work. Has he done it? He knows that he has not, and his followers surrounding him know that he has not done it.

I felt truly sorry for the Minister of Trade and Commerce (Mr. Stevens) when he spoke in this chamber the other day. He made the most feeble attempt I have ever known a minister of the crown to make in this house in undertaking to defend a piece of legislation. We on this side for several years listened attentively to the hon. Minister of Trade and Commerce when he spoke from this side.

Then he used to make beautiful speeches, full of vim and fighting spirit, but his effort the other day was really the greatest sham I have ever witnessed.

As I was saying, Mr. Speaker, the troubles of this government began in the election campaign of 1930. Then, what happened in the short session of 1930 when this parliament was called together to cure unemployment? The Prime Minister asked parliament to vote him the sum of $20,000,000. That was done. What did that $20,000,000 do? It did one thing and one thing only. It did not relieve unemployment. The only thing it did do was to induce the municipalities in every part of this dominion and the provincial governments to enter upon expenditures which they otherwise would not have undertaken, so that eventually the sum of $70,000,000 was spent by the municipalities, the provincial governments, the railways and the federal government combined. But even that expenditure did nothing to relieve unemployment. Most of that money went into the pockets of contractors and of those people who control the supply of materials.

What happened next? The Prime Minister amended the tariff in order to cure unemployment, a thing which never had been done before in the history of this country. He put the tariff up so high that nobody could jump over it. I believe that the Prime Minister in increasing the tariff has some idea in his mind, because I observe that an order in council was passed on February 23, 1932, and reading the list of articles to which this order in council applies I am firmly convinced that he is trying to cure unemployment by preventing families from being raised. For instance, this order in council passes regulations concerning the following articles:

Baby pants: 30 cents per pound plus 40 cents per dozen.
Crib sheets: 30 cents per pound plus 35 cents per dozen.
Deflated play or water balls: 60 cents per pound.
Bathing caps: 30 cents per pound plus 30 cents per dozen.

It seems to me the Prime Minister is trying to cure unemployment by making it harder for our people to raise families. I come from a race which is well-known for its large families, and I think my right hon. friend the Prime Minister is not just to our energetic French-Canadians. Of course, a bachelor cannot appreciate the difficulties that we married men labour under. That is about all that happened, and the only thing that I can see will relieve unemployment is what I have just stated. The Prime Minister during the campaign said he was going to "blast" his way into the markets of the world. "Listen to me, you farmers. I will make the tariffs fight for you." Well, as a commentary on that promise I have a statement here from a friend of mine. He had great hopes in this wonderful Prime Minister of ours—in fact I think a lot of people had faith in him, but they are being disillusioned. Is it not too bad the electors were fooled? In 1930, this man bought a young heifer for $20, a promising looking animal, and he took her into his herd. He is a dairyman. Last fall he thought he would get rid of her as she was not a good milker.

Mr. STEVENS: Was that the Prime Minister's fault too?

Mr. BEAUBIEN: I am going to come to that in a minute. My hon. friend will see by the time I am through that I am not labouring as hard as he was the other day.

Mr. STEVENS: I enjoyed myself.

Mr. BEAUBIEN: My friend sent the heifer to Winnipeg and it realized $4.05. He paid $3 transportation and $1 commission: his credit balance on the transaction was five cents! There is the statement, Mr. Speaker. My friend is French-Canadian, and he said to me, "Take this statement et présente le à ton moses de Bennett." Those are the exact words he used. That is how the Prime Minister has "blasted" a way into the markets of the world for the products of the farming community. This government, with its tariffs, is on the back of the agricultural industry. This government is on the back of the newborn babe—as soon as he is born his back begins to bend with the weight of the taxation imposed by this order in council on everything he wears. That is where this government is in trouble, and it will never get out of trouble because it cannot see the light. But, thank heavens, the electorate will have a chance sooner or later to pass judgment.

Now, we are charged by our hon. friends opposite with delaying the supply of seed grain and other farm relief. Well, they themselves have made a fair contribution to the so-called delay. But have we really delayed this much needed relief? I find this in the regulations issued by the director of unemployment and farm relief:

All public moneys and undertakings to which contribution may be made under the provisions of clauses 6, 8, 9 and 10 of this agreement are to be carried on from the date of their commencement to the date of their completion, which latter date shall not be later than May 1, 1932.

Then if you look at another page you will find a table giving the number of provincial, municipal and federal undertakings, together with the moneys paid and the moneys still owing. But the work is going on. My hon. friend from South Cape Breton (Mr. MacDonald) in the course of his speech yesterday said:

From a fairly extensive knowledge of the operation of that arrangement, may I say that it was followed religiously.

They are very religious in the maritime provinces.

The city of Sydney, to which I referred a few moments ago, borrowed the money and spent it on public works. Those works have been passed upon and approved by the local legislature and this government. To-day however that city cannot carry on its work because this government is not in a position to pay its share.

I submit that the government is in a position to pay its share, because the report of the director of unemployment and farm relief so states. The government is still committed to the undertakings which it entered into, and the accusation that we are delaying these works is absolutely false and without any foundation whatever.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

MONTREAL TERMINAL COMPANY

Mr. L. G. BELL (St. Antoine) moved the second reading of Bill No. 33, respecting the Montreal Terminal Company.

Some hon. MEMBERS: Explain.

Mr. BELL (St. Antoine): This bill has been before the house for some time, Mr. Speaker. There are no new provisions respecting this matter, and of course the full particulars will be given in committee.

Motion agreed to, bill read the second time and referred to the select standing committee on railways, canals and telegraph lines.

RAILWAY ACT AMENDMENT

COMPENSATION TO EMPLOYEES ON DIVERSION OF TRAFFIC—STANDARD OF CLEARANCE

Mr. G. B. NICHOLSON (East Algoma) moved the second reading of Bill No. 29, to amend the Railway Act.

Some hon. MEMBERS: Explain.

41761—80½

Mr. NICHOLSON: I cannot add very much to what I said in moving the first reading of this bill, which is being introduced at the instance of the running trades brotherhood of railway employees. Section 179 of the act establishes the principle that when by the closing out of a terminal or the diversion of a railway line it is made necessary, the railway board may order such compensation to employees who are forced to abandon their homes as in their judgment they deem wise. The present amendment merely extends the same principle in the event of traffic being diverted from one line to another. The added words are:

. . . nor make any change in the routing of traffic, nor run crews through divisional points where their homes are established, nor make any other change.

It also provides that thirty days' notice of the authorized change shall be given those affected. Then the amendment to section 250 merely provides that the railway commission shall have no authority to change the provision by which the standard of clearance is maintained between the top of the highest freight car and the abutments of any superstructure over the railway, until notice of the hearing has been given all parties interested. In other words, at present the board under special circumstances may deviate from the common practice and grant permission to have the clearance less than the act provides.

I would suggest, Mr. Speaker, that the amendments contained in this bill be given second reading and referred to the railway committee, where all parties can be heard.

Mr. J. K. BLAIR (North Wellington): I strongly recommend the adoption of this bill. It may be a great loss to railway employees to have their place of residence changed without proper notice being given and without the matter receiving due consideration by the railway board. I strongly approve of the amendments suggested.

Motion agreed to, bill read the second time and referred to the select standing committee on railways, canals and telegraph lines.

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—CONSIDERATION OF RESOLUTION

The house resumed consideration of the motion of the Prime Minister that Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole on the following proposed resolution:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of

Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

Mr. BEAUBIEN: Mr. Speaker, in the twelve minutes at my disposal before six o'clock I showed that this government had been in difficulties since the election, and since the Prime Minister and his supporters broadcast their promises throughout Canada. I also showed that by the vote of $20,000,000 at the special session a combined expenditure of $70,000,000 by the municipalities, the provinces and the railways had resulted, which otherwise would not have been made. I also proved, at least to my own satisfaction, by reading an order in council passed on the recommendation of the Minister of National Revenue, that by taxing everything required in the home the government had taken about the only method possible to relieve unemployment, and that was by preventing people from raising families because of the taxes involved.

I made reference to the fact that we have been accused of delaying the relief which might be afforded. There is a statement appearing in the Winnipeg Tribune—which is not a Liberal paper—from the Minister of Agriculture of the province of Manitoba, in answer to a question asked by a member of the legislature of that province, to the effect that seed is being provided the farmers of Manitoba, and that no delay has been occasioned. I also showed that all commitments contained in the blue book laid on the table of the house a day or two ago were being proceeded with, so there has been no delay in that regard.

After the special session of 1930, when the $20,000,000 was voted, we had the regular session of 1931, when the Prime Minister asked for a blank cheque. By virtue of his election promises, and by virtue of that blank cheque, the impression was created among the unemployed that the government had unlimited money to spend in order to provide work. I might tell the house of an experience I had personally. I live just a few minutes' walk from the village, and every time I went to that village the unemployed said to me, "Here are the promises of the Prime Minister; he has been given a blank cheque, so why do we not get work?" The worst feature of this depression is the feeling held by the unemployed throughout Canada to-day, that the government should do everything for them, because of the fact that last year the Prime Minister asked for a blank cheque.

What is the meaning of this blank cheque legislation? It is that the government can amend by order in council any legislation passed by the house. I have under my hand an order in council dated December 16, 1931. It is P.C. 3087 and reads:

> The committee of the privy council have had before them a report dated 12th December, 1931, from the Minister of Justice, submitting that to maintain peace, order and good government throughout Canada it was expedient to increase the strength of the Royal Canadian Mounted Police by approximately 300 men.

The Minister of Trade and Commerce (Mr. Stevens), speaking in this house on Tuesday, March 15, laboured to defend this legislation. He said:

> What are the facts? Two hundred men were added to the force.

According to this order in council it was 300.

> Under legislation previously passed by this parliament and by two of the provinces, the federal government was asked to take over the policing of those provinces, Alberta and Manitoba.

I venture to say that there was no arrangement between Manitoba and the Dominion government on December 16 when this order in council was passed, although I do not say that an arrangement was not contemplated. In my opinion this order in council should have read: The committee of the privy council have had before them a report dated 12th December, 1931, from the Minister of Justice, submitting that to maintain discontent, disorder and bad government throughout Canada it was expedient to increase the strength of the Royal Canadian Mounted Police by approximately 300 men. I say this, Mr. Speaker, because nothing will tend more to create disorder and dissatisfaction among the people of this country than to have the government increasing the police force and buying bombs, as stated in this order in council. Nothing will contribute more to a spirit of dissatisfaction, as well as to disorder in the country, than that, and I defy any man to contradict me in this regard.

With regard to this resolution, may I say that in my opinion I have a mandate from my electors to contribute my share to the discussion of any legislation in this house. Is it wise and proper that I should disregard that mandate, that I should surrender my rights to one man or half a dozen or a dozen men in the executive? It is asking too much. The oath of allegiance which every member takes in the clerk's office when he enters this house, the allegiance to the crown, is best maintained, in my opinion, by preserving the rights of the people, and parliamentary control, rather than control by the executive. This is a very serious matter, Mr. Speaker. Every day at three o'clock you, sir, recite a

prayer, and I hope that hon. members take it seriously. We stand here humbly, with bowed heads, asking Almightly God to do certain things for us. I do not intend to read the whole of that prayer, but we do solemnly commit ourselves to certain things when we say:

Most gracious God, we humbly beseech thee, especially for Canada, and herein more particularly for the Governor General, the Senate and the House of Commons in their legislative capacity at this time assembled, that thou wouldst be pleased to direct and prosper all their consultation, and ordain by their endeavours, upon the best and surest foundation, that peace, happiness, truth and justice may be established amongst us for all generations.

"The House of Commons in its legislative capacity at this time assembled." Am I going to stand here with bowed head every day and recite that prayer with you, Mr. Speaker one day in French and another in English and then, having done so, having asked the Almighty, the King of Kings, to endow me with the necessary ability to pass on legislation to the advantage of future generations, to commit the sacrilege of uttering such words and then transferring all my rights as an elected representative of the people, and all the powers that belong to parliament, into the hands of one minister, or a few members of the cabinet? I repeat, sir, that is asking too much. In my opinion, everything depends upon the sincerity of one's prayers, and I am sincere when I utter those words with you.

An hon. MEMBER: Who told you it was a sacrilege?

Mr. BEAUBIEN: It is a sacrilege for us to pray for certain things and then to do quite the contrary.

Mr. HANSON (York-Sunbury): It has been said that the prayer of the wicked availeth nothing.

Mr. BEAUBIEN: Evidently my hon. friend takes it as a joke.

Mr. HANSON (York-Sunbury): I do, exactly.

Mr. BEAUBIEN: If you do you should not come here at three o'clock and pray. I have not very much more to say, Mr. Speaker. I do want to emphasize the fact, however, that I am not prepared to stand in this house or to sit here and be made a rubber stamp by the government, especially by a government who have not kept their pledges, a government who have been spending the people's money in the way hon. gentlemen opposite have done, thus creating in the municipalities and provinces throughout Canada a situation which will land us no one knows where. If the government were relieving unemployment, if they were doing anything to solve the problem, there would be some excuse. But what have they done to solve the problem? Nothing. We have more unemployment in the country to-day than ever before, and the farmers are worse off than at any time in my recollection. Yet hon. gentlemen opposite sit there demanding that we hand over to them all the rights and powers of parliament while they wait for Almighty God to help them.

Mr. F. W. TURNBULL (Regina): The hon. member for Provencher (Mr. Beaubien) will pardon me if I do not follow him throughout his speech. Indeed, I do not intend to traverse the field that has been covered except to point out what in my view is the real issue between the parties at the present moment. If I rightly gather the contention of the opposition in this matter, they are of the opinion that the motion before the house constitutes an invasion of the rights of parliament because in the first place—a somewhat technical point—it is an attempt, as they say, to resurrect a bill now dead, and because in the second place the resolution asks that the powers of parliament be placed in the hands of the governor in council, depriving parliament of the right to legislate in respect to the expenditures of money. That is as far as I care to go with reference to the particular controversy before us.

I rose partly to correct a statement made, inadvertently, I am sure, by the hon. member for North Winnipeg (Mr. Heaps), on Wednesday. At page 1186 of Hansard he is reported as having said:

Hon. members on the government side of the house have complained bitterly about the time taken by hon. members on this side. I might point out however that until this afternoon two out of three speakers have been on the government side.

I took the trouble to check that statement because I thought there must have been some mistake. As a result of my check I found that up until the afternoon the hon. member for North Winnipeg spoke, there had been twelve speakers on the government side who had taken up 92 columns of Hansard; twenty-six speakers on the Liberal side had used 225 columns of Hansard, and six other hon. members had used 58 columns. Instead of two out of three of those who had spoken being on the government side of the house, the fact is that twelve speakers were on the government side and thirty-two on the other. Up until the evening of March 17, fifteen speakers on

the government side had used 120 columns of Hansard; thirty-seven Liberal speakers had used 320 columns and seven others, 68 columns. There had been fifteen government speakers as against forty-four others, using 120 columns of Hansard as against 388. Not only were there a smaller number of speakers on the government side, but they had used less space and taken on an average less time than the speakers on the opposite side of the house.

I mention this fact in order to direct the attention of the house to what is happening in the province from which I come. I have no idea of what is happening with respect to the distribution of seed grain in the province of Manitoba, but I fancy the situation is not serious. If I remember correctly the figures given the other day, only a small amount of money will be required by that province for seed grain distribution. It may be possible that the province itself will be able to finance this distribution, but I am told that some $6,500,000 will be required by Saskatchewan for seed grain. A municipality in that province covers 324 square miles, and 76 municipalities have not had a crop for three years. An immense amount of grain will have to be distributed, and this distribution will require a large sum. I think it is beyond the powers of the province at the present moment to finance this undertaking unless they receive assistance from the federal government. Should this assistance not be forthcoming immediately the farmers of Saskatchewan will be without seed for their crops.

An hon. MEMBER: Bring in a supply bill.

Mr. TURNBULL: I thought some bright hon. member would raise that question. I am not trying to deal with this question in any controversial sense, and I do not intend to discuss whether action should be taken by means of a supply bill or otherwise. I am not going to say that the government is or is not to blame for the course it has pursued, and I am not going to argue that the opposition is right or wrong in the stand it has taken. I do not intend to be brought into any partisan discussion as to whether or not this matter should be handled by means of a supply bill. I say merely that at the present moment the snow is disappearing in southern Saskatchewan, the frost will soon be out of the ground, and hon. gentlemen who come from that province know what it is to haul wheat from the elevators over the roads when frost is coming out of the ground. They know that the wheat has to be hauled home and cleaned before it can be sowed, and the distribution of that immense quantity of wheat cannot take place in a week or two. The wheat cannot be moved out of the elevators until the money is found to pay for it. What has been going on in this house for the last eleven or twelve days will be of serious consequence as far as my province is concerned.

According to press reports the following question was asked in the provincial legislature on March 14:

> Is it true that the lack of legislative authority on the part of the federal government is hampering seed and feed distribution in Saskatchewan and the failure to pass the farm relief bill now before the Dominion house is actually aggravating the situation?

The answer of the Premier was to the effect that, a few hours previously, arrangements had been completed for a temporary financing of the distribution, but unless the bill passed the federal house promptly great inconvenience would result and many farmers would suffer from lack of feed and seed. He urged that the leader of the opposition, knowing the situation in the province, should use his influence with Liberal federal members at Ottawa in an effort to speed the passing of the farm relief act. I refer to this for the purpose of calling the attention of hon. gentleman to the condition which existed last Monday in the province of Saskatchewan. To-day is Friday, and I have reason to believe that the financial arrangements which have been made, and which are the last arrangements which can be made, will expire to-day. This will mean that the remaining wheat will stay in the elevators until authority is granted to this government to advance the money to pay for it.

Mr. MACKENZIE KING: Did I understand the hon. gentleman to make some reference to the leader of the opposition using his influence with his party to help expedite relief?

Mr. TURNBULL: I was referring to the leader of the opposition in the provincial legislature of Saskatchewan.

Mr. MANION: The hon. member should have referred to the leader of the opposition here.

Mr. TURNBULL: That is the condition which prevails in my province. Regardless of the merits of the motion before the house, I submit that the opposition could very well rest on their oars. Their position was stated very clearly many days ago by their leader and—

Mr. MACKENZIE KING: Why should not the government rest on its oars, or rather, get busy?

Mr. MANION: The government cannot make any move until this blockade by the opposition is over.

Mr. TURNBULL: I do not intend to enter into any controversy as to the merits of the question. The opposition have stated their case; almost forty speakers have addressed the house on this question and on everything else, including the last and the next elections. The position of the opposition has been stated over and over again, so what is to be gained by continuing this debate compared with what is to be lost in my province unless immediate relief is given? While we are debating whether or not the rights of parliament are being infringed upon, we are gambling with next year's crop, because if these men cannot get their seed in in time, they will be faced with a fourth crop failure. Should that happen, some hon. member will blame it on the government.

Mr. YOUNG: Do you think you are justified in gambling with the crop?

Mr. TURNBULL: We are not.

An hon. MEMBER: That is just what the hon. member is doing.

Mr. TURNBULL: Look at the futility of this whole proceeding. While the farmers in western Canada have been waiting for their seed for twelve days, we have been discussing everything but the subject at issue.

Mr. VALLANCE: I know the hon. member wants to be fair; we all do. Does he not know that the manager of the relief commission, Mr. Daniel, announced on the twelfth of this month that on and after the 15th of March any farmer in the southwestern portion of Saskatchewan presenting himself at the elevators would receive seed grain provided he was duly qualified to receive it?

Mr. TURNBULL: My hon. friend knows quite well what the qualification was and further he knows quite well that the announcement was made anticipating that the financial arrangements would be made in due course. He is aware that the qualification is a certificate from the relief officer that the man is entitled to a certain amount of seed grain, and that certificate of the relief officer will not be given until the seed grain is available. So that every man who presents a certificate will receive seed grain, but he cannot get it until the financial arrangements are made. As I say, while those men in Saskatchewan are waiting for the seed grain, we have been discussing onions in South Essex, Nero fiddling in Rome, something away back in the sixteenth and seventeenth centuries, the unfortunate fate of Charles I whose head toppled into the basket some hundreds of years ago, the days of the family compact, and other matters.

These men in western Canada have met with unprecedented disaster through no fault of theirs or of any government, but through the mere fact that climatic conditions for three years have not been favourable. They have met those conditions with a fortitude and courage unsurpassed in the history of any nation of the world. They have received a large measure of assistance from the Dominion of Canada; they have been grateful for that aid, and as a sign of their gratitude they have distributed relief from time to time throughout that large area to upwards of 300,000 people in a manner that has evoked the approval of people all over this North American continent. Except perhaps in a few isolated cases, there has been no attempt in Saskatchewan to take advantage of the relief commission or of the circumstances. In fact, there are to-day in western Canada men and women who have already started to pay back their indebtedness to the government. It is on behalf of a people of that type that I appeal to both sides of the house. The issues between us have been stated, and they cannot be further clarified by additional discussion. The opposition, so far as I can see, have already placed their case before the people. When the time comes to vote, the result will be just the same a week from now as if we were to vote to-night, and my hon. friends opposite can go no further in defending the liberties of parliament than they have done up to the present moment. They can add nothing to what they have said, and from now on, in my opinion, they have absolutely nothing to gain from the course they are now pursuing so far as defending the liberties of parliament before the people of Canada is concerned.

Mr. MACKENZIE KING: May I ask my hon. friend a question? He has made an appeal to both sides of the house. Is it not true that the opposition has no power to introduce a money bill, and also is it not the case that the government has power to introduce a money bill at any moment?

Mr. MANION: Which the government has done.

Mr. MACKENZIE KING: That is not what it has done.

Mr. MANION: Because we are being held up by my hon. friends opposite.

Mr. MACKENZIE KING: The government has not introduced a money bill. The moment the government will introduce a money bill in the regular way, hon. gentlemen on this side will support it and allow it to be proceeded with immediately.

Mr. TURNBULL: With my right hon. friend's statement concerning a money bill, I have no quarrel. As I said in the beginning, I am not now condemning him for taking the attitude he has taken that the government has no right to introduce a bill in this way. I refuse to express any opinion upon that controversy. I merely say that, having taken this stand, having expressed it clearly twelve days ago and having had it discussed ever since, he cannot better his position or clarify his statement by further obstruction.

The time has now come, when, in the interests of my people in Saskatchewan, this controversy in this house of parliament should stop. The opposition should now let us decide the issue between us, so far as our votes can do so. But my hon. friends are willing to play ducks and drakes with the welfare of the people of Saskatchewan. When I appeal to them in the name of those people who are suffering and who are liable to suffer more, this is what is going on in parliament to-day. The only answer the leader of the opposition can give me is to say: Well, do it our way and we will support you. I ask the house whether that is the sort of conduct we have a right to expect from a leader of the opposition who has the interests of the people of Canada at heart.

Mr. MACKENZIE KING: That is the way in which it has always been done.

Mr. TURNBULL: If my right hon. friend thinks for one moment his course is going to gain support for him in Saskatchewan or in any other part of Canada, he is badly mistaken. I refuse to be drawn into the controversy as to whether he is right or we are. I merely say: Let us end this present farce; let us vote on this measure, win or lose, and let our people in Saskatchewan know whether we are going to give them farm or other relief in time to save the situation.

Mr. P. A. SEGUIN (L'Assomption-Montcalm) (Translation): Mr. Speaker, I do not intend to speak at length to-day, but I feel it is my duty to protest with all my energy, in the name of the worthy constituents which I have the honour to represent in this house, against this new attempted encroachment formulated by the right honourable prime minister (Mr. Bennett) in the resolution now before us.

[Mr. Manion.]

This resolution reads:

That Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole on the following proposed resolution:

That it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

Mr. Speaker, I may be mistaken, but I am really surprised to see the prime minister attempt to submit to the parliament a bill intended to substitute the word "May" for the word "March" in another law that has ceased to exist since the first instant. While not claiming to be a legal light, I think I have a certain experience of these things, I think I understand laws and I cannot help entertain the greatest doubt on the possible effect of the new law proposed by the right hon. Prime Minister. Either the law of 1931 is still effective or not; if it is, then why do they ask us to substitute in this law the word "May" for the word "March"? And I am inclined to believe that it has ceased to exist when I read paragraph 8:

This act shall expire on the first day of March, 1932.

Therefore, this act has expired; it seems to me quite evident that it has ceased to exist, if so, is it inconceivable that an act which exists no more can be amended.

The Prime Minister's tactics under these circumstances can but inspire us with the greatest distrust. How is it that previous to the expiration of the stipulated time of the 1931 act, the Prime Minister did not think of requesting parliament for an extension of the provisions of the act, which he desires to-day? What has happened to induce the Prime Minister to have recourse to this strange manoeuvre which obliges us to greatly doubt of his good intentions?

At the last session, in spite of strong protests from this side of the house, the hon. members opposite under the rod of their master forced this parliament to enact this extravagant measure, known as the "blank cheque" act.

This act is embodied in chapter 58 of the statutes of Canada, 1931 and is intituled:

An act to confer certain powers upon the Governor General in Council in respect to unemployment and farm relief, and the maintenance of peace, order and good government in Canada.

By this act the government conceded to themselves the power to take out of the consolidated revenue of Canada, the necessary funds and expend them as they pleased. It goes without saying, that never, since confederation, has a government attempted to usurp such authority. If members of par-

liament have an important duty to fulfil, it is certainly, I think, that of controlling the expenditure; and the imperative duty of the government in having subsidies granted or expending the people's money, is certainly to justify, previously, where these outlays are to be made and what amounts will be required.

The 1931 act, sir, had the effect of removing this obligation and to justify himself, the Prime Minister stated then that he was unable to state the amount required to relieve unemployment and help the farmers, etc. This reason cannot be invoked to-day, and the mention of March 1, in the expired act was simply to make provision while the house would not be sitting. To-day, when parliament is assembled and the government with its past experience, is able to inform us what amounts will be required, there is not the least justification to ask for an extension of time up to May 1 for this arbitrary act of 1931. This cannot be justified by any precedent; it can only inspire the greatest distrust under the circumstances.

If the government could clearly prove to us that as a result of the act embodied in the statutes last year, it had succeeded to relieve the unemployed and farmers, we might trust them, and, in spite of the encroachment on the powers of parliament, we might perhaps make certain concessions and vote a stipulated amount to carry out such relief. But, sir, is it not a fact that far from having relieved the situation, unemployment has spread to an alarming extent and, that the relief given is not in proportion to the wide breach caused in our finances.

About July or August, 1931, the hon. Minister of Labour (Mr. Robertson) forwarded, to members and Conservative candidates defeated in the last election, a circular letter inviting us to suggest work of a federal nature that could be done in our respective counties in order to give work to the unemployed. On receipt of this letter, I immediately complied with the wishes of the hon. Minister of Labour and sent him a list of the public works that I thought were needed in the county of L'Assomption-Montcalm and, that I also considered of a nature to relieve the unemployed in the various localities. First, I mentioned what repairs were urgently required for the post office in the town of L'Assomption.

What was done to meet my suggestions? The inspector of public buildings paid a visit to L'Assomption and sent in a report that considerable repairs were needed on the post office, that the walls of the building itself were on the eve of crumbling. What was done to relieve unemployment? A carpenter and two men were employed, for hardly five or six days, to put supports so as to prevent the walls from falling. The government should be ashamed of having the public see such a building in ruins supported by beams, when it would have been an easy task for them to rebuild the defective walls and employ during a few months the fifty or so good people who are without work and reside in the town of L'Assomption, they ask for nothing better than to work in order to support their families.

I had also pointed out to the Labour department that a public building would not be out of place at L'Epiphanie, one of the most important localities in my county where the government collects each year excise duties and postal revenue to an amount of over $50,000. I had also mentioned the necessity of building a post office in the town of St. Lin-des-Laurentides, and which had been requested for a long time past; I had also pointed out the importance of having a post office built at Ste-Julienne, the chief town of the county of Montcalm. Notwithstanding all my suggestions, the Labour department paid no attention to these public necessities which, however, were very much needed and would have given work to a large number of workmen who at present find it extremely hard to support their families.

As to agriculture, sir, I defy any member from Quebec who supports the government, and especially the hon. Postmaster General (Mr. Sauvé) whom I see in his seat, to mention any help whatsoever given by this government to the farmers of Quebec. Yet, all are aware of how the price of farm products have decreased in the most alarming way, notwithstanding the fine pledges of the right hon. Prime Minister during the 1930 election. Butter which then sold at 32 to 34 cents per pound sells to-day for 20 and 22 cents. The same may be said of eggs and all other farm products. Yet our opponents had publicly promised that with the advent to power of their renowned leader the greatest prosperity would reign in this country. It is thanks to these false pledges that a number of the government supporters, hailing from Quebec, were elected.

Not only did the government neglect the farming class and did not relieve the distress of these people, who are certainly the most deserving class in this country, but it did worse. By upsetting the tariff the government forced the farmer to pay much dearer for the needs of his family and to cultivate the farm, while on the other hand he is unable to sell or has to sacrifice at ridiculous prices the products of his toil.

I have no hesitation in stating here that these fine pledges were but a bait, and, under such circumstances, nothing would justify parliament to revive the act of 1931, and extend to May 1 the provisions of an unjust law by which last year parliament despoiled itself of its rights and authority to place them in the hands of the Prime Minister and his cabinet.

Again, sir, I wish to strongly protest against this new attempt of dictatorship on the part of the leader of the government, and acting thus, I feel certain of expressing the wishes of my most faithful constituents who for nearly twenty-five years have honoured me with their trust.

Mr. C. E. BOTHWELL (Swift Current): From the opening of this debate on the eighth day of this month it was made clear by speakers on this side of the house from day to day that they were prepared to co-operate with the government in voting a sufficient sum of money to take care of unemployment and farm relief. The responsibility, then, does not rest with this side of the house if relief is not being administered and if the farming areas of the west are going without seed. The responsibility is upon the government alone for their neglect in not bringing this matter to the attention of the house in time to get the legislation through.

I was much interested in the remarks which were made in this debate by the hon. Minister of Railways and Canals (Mr. Manion) when he spoke on the ninth of March. He referred to the fact that the members from the west had not complimented the government on the work they had done and upon the manner in which they had administered relief throughout Canada. He seemed to feel that it was the duty of the Liberals from the west, and I presume of everyone from the west, to utter expressions of thanks and appreciation and to compliment the government. A page 970 of Hansard he finds fault because hon. members had not praised the government. He said:

> Why, when the wheat bonus was given to the western farmers, not one of my hon. friends opposite praised us. They have been finding fault with us ever since for giving the five cent bonus on wheat.

I have followed the debates in this house rather closely, Mr. Speaker, and I am satisfied that there has been no statement made by a member on this side of the house finding fault with the government for giving the five cent bonus on wheat. We did not believe that the five cent bonus on wheat would solve the ills of the people of western Canada. We thought that it was a very weak palliative, and we did ask for other methods of assistance. But the people of the west were appreciative of the five cent bonus and were willing to accept it, because they realize that this government is bonusing many other industries and there is no reason why the agricultural industry should not be bonused to the extent of five cents a bushel. The minister further said:

> They have been talking again and again not only about our failing to relieve unemployment, but our failing to do anything that my right hon. leader promised when he went throughout the country.

Then he says:

> The leader of the present government, as nobody will question, promised many things when he went through the country, but he has carried out a greater proportion of those promises in the time that he has been in power than any other Prime Minister has done in a similar period. Let me name a few of them.

Then he refers to the promises: He says:

> He called a special session, which he had promised.

Yes, a special session was called, and as we understood it, it was called for the purpose of voting money to relieve unemployment. When the special session met, a bill was introduced to appropriate $20,000,000 for that purpose, and a tariff bill was also introduced amending the tariff on about two hundred different items. The minister says:

> He put through a $20,000,000 vote for unemployment, which he had promised.

It is true that that vote was put through, and that it did relieve the distress to some extent, but one of the reasons why the people of Canada are not prepared to give the government a free hand in this matter is because of the manner in which some of the expenditures under that fund were made. I intend to give the house an instance of an expenditure in the province of Saskatchewan out of that $20,000,000 appropriation.

There was spent out of that appropriation, as shown in the report on the administration of the Unemployment and Farm Relief Act, 1931, or at least there was a contribution made by the dominion government for the purpose of building highways, roads and sidewalks other than the trans-Canada highway, amounting to $1,114,160. In the province of Saskatchewan, on No. 9 highway running north from Northgate, the government put in a relief camp, and they graded 2·28 miles of road. I have here the figures given in answer to a question on the floor of the legislature in Saskatchewan as to what that road cost, and they show that the gross expenditure for

grading that 2·28 miles of road was $26,643.26, less credits and refunds, $2,140.26, or a net expenditure of $24,503. The net amount paid to labourers and teamsters on the job was $16,566.82; then there were foremen, timekeepers, straw bosses, stable bosses, cooks and cookees—they got $1,801; rental of equipment cost $109.55; there were other expenditures amounting to $744.57; making the total cost of the road per mile of grade $10,746.93. That seems to me to be a lot of money for grading. A citizen of Saskatchewan went down to inspect the work. He saw the kind of construction work. Then he crossed the American boundary and found that the road was continued into the state of North Dakota at the same width, running through similar territory and with the same kind of grading. After inspecting the road he wrote to the highways department of North Dakota to ascertain the cost of the work. This is the reply he received:

> We wish to acknowledge receipt of your letter of August 10th relative to the cost of the above mentioned project, and to advise that this project is 7·332 miles in length and was constructed with a cost of $23,821.34. For your further information the costs would be segregated as follows, grading $18,664.52.

That is the portion in which I am interested. There were also metal pipe and concrete pipe culverts and concrete structures, that do not enter into the comparison. This represents for the construction of that graded road in North Dakota a cost of $2,545.62 per mile. If the road on the Saskatchewan side of the border had been built on the same cost basis it would have involved an expenditure of $5,804.01, instead of $24,503—representing a saving of $18,698.99. I ask the house to listen to this further statement contained in the answer given on the floor of the Saskatchewan legislature. The amount paid to labourers and teamsters was $16,566.82. Had we constructed our road in the same manner as North Dakota constructed its road, we would have saved $18,698.99. In other words, we could have paid every teamster and labourer that worked on the job the actual wages he received and left them at home to attend to their farm work and still have made a saving on the road of $2,132.17. Some hon. members may say: But what about the straw bosses, the stable bosses and others; they would not get anything? If we include them in the computation as well as the labourers and teamsters we could have built the road at a saving of $330.82. This expenditure is part of the $20,000,000, appropriation. That is one of the promises that the Minister of Railways says the Prime Minister carried out.

Then he says the Prime Minister attended the economic conference, and that is another of the promises he carried out. Well, the economic conference has been discussed so frequently that I do not think I will refer to it any further except to read this portion of an editorial:

> A Liberal hates to go around town these days hurting the feelings of Conservatives by asking them what they think about Ottawa's courses of action. Any Liberal who has a bit of politeness in him shuns politics when talking with his Conservative neighbours and his neighbours must be grateful for it. It is the decent thing to do.

The next promise he started to carry out was the building of the trans-Canada highway. Yes, the trans-Canada highway has been started. The Minister of Railways seemed to take great credit to the government because of the fact that they had relieved some 300,000 persons in the drought district in Saskatchewan. According to the report of the dominion director of unemployment relief, at page VI, dealing with the province of Saskatchewan we find:

> Advances for relief purposes pending completion of agreement, $500,000.
> Advances for credit of Saskatchewan Relief Commission for relieving distress and providing employment, $4,750,000.

That $5,250,000 apparently was paid to the relief commission in Saskatchewan in order to relieve what was really a famine condition. The work on the trans-Canada highway was given out in order to provide employment to people in different parts of Canada. Quite a number of people in the drought area in Saskatchewan would have been glad of an opportunity to work on the trans-Canada highway; but they do not seem to have been given any such opportunity. For the trans-Canada highway the Dominion government appropriated moneys for Nova Scotia, New Brunswick, Ontario, Manitoba, Alberta and British Columbia, but nothing was provided for Saskatchewan, Quebec or Prince Edward Island. The total amount of the dominion share of that highway is apparently $4,106,-136.35. The total appropriation for relief to a famine stricken district of Saskatchewan was $5,250,000. I presume Saskatchewan eventually will have to pay its share of the construction work on the trans-Canada highway in the other provinces.

Mr. STEVENS: No.

Mr. BOTHWELL: Saskatchewan will also have to pay back apparently the $5,250,000 appropriated by this government for relief

in that province. Saskatchewan is the only province, so far as I know, where notes have had to be signed for unemployment relief.

Mr. STEVENS: Did I understand my hon. friend to say that Saskatchewan would have to pay back the $5,000,000 advanced for relief?

Mr. BOTHWELL: That is as we understand it; the question has been asked several times in this house.

Mr. STEVENS: My hon. friend is wrong; no such statement ever was made by the government. This money was advanced by the federal government, and the government of Saskatchewan has not been asked to contribute a cent to this relief.

Mr. BOTHWELL: In any event I think it is up to the government to make a pronouncement with regard to the matter, because the people in these drought areas have been asked to sign notes. I will give an example. In that stricken area a certain young man was farming his mother's land, which he rented. He applied to one of these wonderful officials for relief and eventually was told that he would get the relief if his mother would endorse his note. He was a young married man, and his mother made it her business to find out whether he would be denied relief if she did not sign the note, and as a matter of fact he did not get the relief until an appeal was made to the relief commission in Regina. That is how I know these people in the drought areas do not get relief until they sign these notes, but if they do not have to pay the notes we would like an announcement to that effect by the government.

Mr. STEVENS: Any one who needs relief is treated very generously.

Mr. COWAN (Long Lake): Is it not a fact that No. 1 highway through Saskatchewan, which is known as the transcontinental highway, was built as such, and is it not the best highway in Saskatchewan?

Mr. BOTHWELL: If No. 1 highway is the transcontinental highway it was built by the Saskatchewan government without the assistance of this government.

Then, in carrying out his next promise, the Prime Minister imposed the tariffs which apparently he had promised in order to help the industries of Canada. Those tariffs were imposed during the special session of 1930, and some of them were made even higher during the session of 1931. I should like to touch briefly on some of the things that have arisen in connection with the tariff changes made by the right hon. gentleman.

Apparently the idea the government had in making the tariff changes was to solve the unemployment problem in Canada. We all know that during the election campaign the Prime Minister went across the country making promises in connection with the relief of unemployment, and he spoke at various places from coast to coast. In order to keep the record straight I should like to refer to some of the promises he made. At Winnipeg Mr. Bennett said:

> The King government is blameworthy for failing to provide employment that would keep people in the country.

At Regina he said:

> Unemployment would not exist had the King government done its duty.

At Calgary he said:

> We pledge ourselves to find a solution to the unemployment problem.

At Calgary and Victoria he said:

> We in Canada cannot tolerate a dole.

At Moose Jaw he said:

> I will as soon as possible call the house together, not for the issuance of doles but for the inauguration of a scheme whereby national institutions will be set up which will provide jobs for the unemployed men of the Dominion of Canada.

Again at Calgary he said:

> This is a new country, and there is no excuse for unemployment in Canada if a government does its duty.

Then at Victoria he said:

> Is there any excuse for Canada to have hard times if the government is discharging its duties as it should?

At Woodstock he said:

> We must pass laws at the special session that will anticipate work for our people on national highways, on great canals, that we must make for our waterways to the sea. . . .

At Moncton he said:

> I promise to end unemployment.

At Sarnia he said:

> Someone is responsible for unemployment, not individuals but governments. Governments by their majorities in parliament are responsible for enacting all legislation.

I presume that the tariff changes made during the special session were for the purpose of ending unemployment, but during the course of this debate figures have been put on Hansard showing the result of these changes. During the special session of 1930 we were furnished by the government with details of unemployment throughout Canada.

I still have that file, and it shows a total of 117,000 unemployed throughout this country. According to figures placed on Hansard during this debate we now have 550,000 unemployed, and the number of unemployed in the manufacturing industries, which were supposed to be helped by these tariff changes, has increased by some 203,000, so the tariff did not relieve unemployment.

What was done by those tariff changes? Business was unsettled to such an extent that people were afraid and are still afraid to do business because they do not know what changes will take place next. The government took power to fix valuations for duty purposes by order in council, on practically all goods coming into the country. Most of our manufacturers must import some portion of their finished product, and they do not know where they stand. Rather an entertaining editorial was written in this connection, and I should like to read from it just one paragraph. I do not pretend to enumerate all the changes that took place after the budget of last year was brought down, but I should like to read this portion of an editorial written on June 9, last:

In view of these on-again-off-again-gone-again-Finnegan performances, it is interesting to recall Mr. Bennett's protestations while in opposition that a tariff made by him would be a stable tariff; something that industry could depend upon; a tariff that would "stay put." Instead of that, we have tariffs and excise duties that go up and down as erratically as the cars on a roller coaster. Instead of having something to depend on, industry does not know from one day to the next what changes will be made over night.

You cannot expect people to do business when they are kept in that state of mind. I should now like to give some results of this tariff. On the train I met the western manager of one of our road machinery companies, who also acted as agent for a lateral ditcher made in Boise, Idaho. You would rather imagine that any government would allow machinery not made in Canada to come in without a very heavy duty, but that was not the case in connection with two lateral ditchers required for irrigation purposes in Alberta. The two ditchers cost $168.75 at Boise, Idaho. There was added 15¼ per cent as dumping duty, amounting to $25.73. Duty was assessed at 35 per cent, amounting to $67.90. The four per cent sales tax amounted to $10.48. The one per cent excise tax amounted to $2.62, and the freight, including a ten per cent surcharge, totalled $47.85. The profit to the dealer was 25 per cent, or $42.20, so that the total cost of these ditchers, which was $168.75 in Boise, Idaho, was $365.53 to the purchaser in this country.

Here is another example taken from the Winnipeg Free Press:

The Free Press has been shown an invoice of woollen goods from England with the accompanying notation which would make an interesting exhibit if an investigation were being held as to the causes for the startling diminution in trade with Great Britain which is now taking place.

The goods involved were serges and worsted; actual value as paid by the importer, $408. The duty proper based upon the mixture of ad valorem and specie rates which is the feature of the textile schedule in the Bennett tariff was $221.61; to this was added the special penalty because the pound was some 43 cents under the allowed rating. This brought the total customs taxation to $265.44—the equivalent of an ad valorem tax of 65 per cent. This total does not include excise or sales tax which amounted to another thirty-eight dollars. The customs levy upon these goods was about half as high again as under the former tariff.

A rate of 65 per cent is of course intended to be prohibitive and is so except in the limited number of cases where quality rather than price is the deciding factor. The imperial conference is to meet shortly for the purpose of encouraging trade between this country and the other British nations, especially Great Britain; in preparation for it the Canadian people might give some thought to this matter of prohibitive duties on British goods for which there is, under fair conditions, a market in Canada. Is a duty of 65 per cent against British goods permissible under any conceivable set of circumstances?

No wonder trade is stagnant in Canada; no wonder trade has fallen off to such an extent, as indicated by various speakers in this debate; no wonder unemployment is increasing in different directions. We must realize that in this country we produce very much more than we can consume and must therefore find markets outside, and you cannot find markets unless you are prepared to buy something in exchange. Even members of the government are beginning to realize that. I notice that the Minister of National Defence (Mr. Sutherland), the other day came to a realization of this truth, and I hope that the idea he has will be shared by other members of the government. In The Citizen of March 5 he is reported:

Must Be Ready To Buy As Well As Sell Wares

Imperial Conference Results Seem Sure to Be of Tremendous Importance Says Col. Sutherland

Sarnia, Ont., March 4.—"We can't expect to get a lot of things unless we are satisfied to give something in return," declared Col. D. M. Sutherland, Minister of National Defence tonight, outlining plans for the Imperial conference to be held at Ottawa in July.

The next promise is with respect to the St. Lawrence waterway. In this regard the Minister of Railways said:

His promise in regard to the St. Lawrence waterway he has carried out in conversation with the United States government.

We do not know what those conversations were but we shall probably hear more about the matter before the end of the session. So far as we on this side are concerned, we do not know anything about it. The next promise which we are told was carried out was in regard to unemployment relief:

In regard to unemployment relief he has helped 350,000 of the Canadian people to get work which they could not have got under any policy which anyone in the house has heard enunciated by any one of my hon. friends opposite in the last three years.

I read to the house the promises made by the Prime Minister during the election campaign, and suggestions have been made on this side of the house as to what might have been done. But these suggestions have not been heeded. At all events, unemployment has not decreased, business is more at a standstill than it ever was, and we hardly know where we are drifting. I am glad to note, however, that the Minister of Railways disagrees with his leader in one respect. At page 971 he says:

In this country we have a condition which is due to a world situation and not to anything we have done, and, I say frankly, not due to anything the leader of the opposition has done; one which is due—

Here he gives the reasons.

—to the aftermath of the war, to the demands for reparations by various countries, particularly perhaps by some of the richer countries; to the pocketing of gold by two great countries—to the competition of Russia—and finally to a great extent to the decrease in the selling price of the commodities of this country.

There he gives the reasons for the distress in the country, and admits that it is due to no fault of the Liberal administration which preceded this government.

Now, Mr. Speaker, the real point at issue in this debate is the constitutional question. My hon. friend from Regina (Mr. Turnbull), in his speech to-night, was not prepared to discuss this question. All he wanted to do, and all he did do, was to say, "You are holding up the passage of this bill and if there is distress in Saskatchewan, if the farmers are not able to get seed wheat, then the fault lies with you." We believe there is a vital question at stake, and if this government is going to take all powers of legislation into its own hands as a government, then we on this side of the house might just as well go home. In fact I will throw out this suggestion to the government now. If hon. gentlemen opposite are determined to go through with this bill, no matter how long it takes, if they are determined to make it law because they have the support behind them, then I say to them:

[Mr. Bothwell.]

You might as well take all the power you need and allow us to go home; you might as well make another saving in this regard, as I am going to point out. The government is cutting down expenses everywhere and I do not blame them for this. But I say to them that they might as well make another saving. It might be well for a few years to retain a portion of the house in order to give a semblance of democratic government; but since you have a redistribution coming shortly, it might be well for you to redistribute Canada and cut down the representation of the house to fifty or one hundred instead of two hundred and forty-five members. This would lend some semblance of democratic government to your deliberations. And it might be well also to take steps to abolish the Senate, which is costing the country a good deal of money. What is the use of having two hundred and forty-five members here and ninety-six members in the Senate if a government of from twelve to fifteen gentlemen are going to govern the country? I offer that suggestion as one means of saving money.

My time is almost up but I want to mention one thing more in connection with seed grain for Saskatchewan. I have here a section of the Regina Leader-Post of March 12, in which the following appears:

Announcement made by C. B. Daniel at meeting at Swift Current.

Swift Current, Saskatchewan, March 12.—Distribution of seed wheat will start simultaneously at all points in the drought area on March 15, C. B. Daniel, general manager of the Saskatchewan Relief Commission, announced in an address here Friday night before a meeting of relief officers representing the southwestern section of the province. The object of the meeting was to discuss relief matters with the relief officers and representatives of the various municipalities with a view to facilitating seed distribution, particularly in view of the limited time available for such distribution.

That was the announcement made by the manager of the relief commission in Saskatchewan. If the government has not yet purchased seed wheat for the prairies, then I say it is through inefficiency on the part of the government itself. When they wanted to get wheat for relief purposes last year they appeared to be proud to announce to this house the number of bushels of wheat they had purchased and set aside. Why has not wheat been purchased this year for seed purposes? We have been in this house since February 4 and this resolution was introduced on March 8. The act itself is no longer law, and up until March 1 the government had ample opportunity to bring in the necessary

measures. The Saskatchewan government and the relief commission should have known what they were talking about on March 12.

This is simply the holding of another club over our heads. When we came down to the special session in 1930, we were told that if we did not pass the tariff items and vote the $20,000,000, the Prime Minister would not go to the Imperial conference. Almost from the opening day of the session of 1931, hon. members on this side pleaded with the government to bring down unemployment relief measures. The government was asked to appoint a committee of the house to investigate and report on conditions throughout Canada. In spite of this, the Unemployment and Farm Relief Act was not brought down until, I think, July 29, just about the closing days of the session. The Minister of Trade and Commerce now states that the principle has been approved. This question was not decided a year ago. We have been sent here to fulfil a duty, and we intend to do that. A club was held over our heads in 1930, and in 1931 the bill was not introduced until the closing days of the session. When we on this side of the house dare to question the government this year on the stand it has taken, it replies: We will not give you any wheat in the province of Saskatchewan. A club again is being held over our heads.

Mr. COWAN (Long Lake): Mr. Speaker—

Some hon. MEMBERS: Sit down.

Some hon. MEMBERS: Order.

Mr. MANION: The government did not take that attitude.

Mr. BOTHWELL: Hardship is being placed upon the people of Saskatchewan.

Mr. SPEAKER: The hon. member has spoken for forty minutes.

Mr. C. G. POWER (Quebec South): Mr. Speaker, like the hon. member for Swift Current (Mr. Bothwell) I was much impressed by the moving appeal made by the hon. member for Regina (Mr. Turnbull), ostensibly to hon. members on this side of the house, but I think in reality to his own leader. The hon. member for Regina is a lawyer and I gathered from his remarks that he understood perfectly the situation. In answer to a question asked by the leader of the opposition (Mr. Mackenzie King) he agreed that it was within the power of the government and of the government alone to initiate and to introduce into this house a money bill. In order to relieve distress in Saskatchewan, in order to carry on the work of unemployment relief throughout the Dominion of Canada, money must be found. We, through the leader of the opposition and twenty-five hon. members who have spoken on this side, have expressed not only our willingness but our eagerness to vote any sum which the government may require to carry on this work. May I call the attention of the government to the words of its leader, as quoted a moment ago by the hon. member for Swift Current (Mr. Bothwell) to the effect that governments are responsible for the enacting of legislation. I say to the government, as other hon. members on this side have said: Enact legislation with respect to relief and unemployment and we will vote it at once, but we refuse most emphatically and energetically to be coerced into abandoning the privileges and rights which belong to our constituents in order to satisfy the waywardness and stubbornness of the leader of the government. Money the government may have, and welcome in so far as we are concerned; but if we respect ourselves, and we think we do; if we have any respect for the people who sent us here, we must enter a protest against their being deprived of the rights and privileges to which they as British subjects are entitled and which is their birthright and their inheritance.

Let me examine for a moment the scope of this legislation. I do not propose to deal with the financial features other than to repeat what I have said already, that we are prepared to vote the money. By the legislation passed at the last session, this parliament, a representative body sent here to voice the opinions, sentiments and feelings of the people, is deprived absolutely of the rights which from time immemorial free parliaments in free British countries have exercised. I do not desire, nor have I the time, to cast my eye back over the pages of history and to repeat, as has been already repeated, that rebellions, revolutions and changes of government have taken place on less excuse than that given by my right hon. friend opposite.

I desire to deal with a phase of this legislation which has not met with the attention which it perhaps deserves from hon. members on the other side. Section 4 of the act which it is proposed to revive or resurrect reads:

> The governor in council shall have full power to make all such orders and regulations as may be deemed necessary or desirable for relieving distress, providing employment and, within the competence of parliament, maintaining peace, order and good government throughout Canada.

May I interrupt the trend of my discourse to say that if the government had had ordinary common sense and foresight it would have provided the seed grain necessary and would

have made arrangements for the carrying on of relief before March 1. Under this section of the bill the governor in council—during the course of my observations I hope to show that that means only the Prime Minister of Canada (Mr. Bennett)—takes full power unto itself to make any law it desires. The words "peace, order and good government throughout Canada" contain the residuary powers left in the British North America Act to cover all the authority of the federal government of Canada. Under this act the government may make laws on any and all subjects. It may make laws to change the representation; it may make laws to change redistribution; may make laws to change the franchise; may make laws in regard to every conceivable subject within the competence of parliament. Further, as has already been said in the house, it may, whilst parliament is sitting, go down to the east block and repeal an enactment which was passed by this parliament the previous day or even that very afternoon. Against the granting of such powers as these we must, if we have any respect for our traditions, make the most emphatic protest.

The difference between hon. members opposite and ourselves is not merely one of procedure, as would seem to have been indicated by a number of my hon. friends on that side. It is a fundamental difference, of opinion, of state of mind, of sentiment. It is a difference between those who believe in responsible government and those who believe in autocracy, between those who believe in the rule of the people and those who believe in a kind of bourgeois dynasty. It is a difference in theory. Our theory—and we stand on the broadest grounds of constitutional procedure, practice and tradition—is that parliamentary institutions, as we know them in every country under the British flag, have not as yet outlived their usefulness. The theory of hon. gentlemen opposite would appear to be that which has its best expression in countries which are not British, which now finds its truest manifestation in the South American republics, in Italy and in bolshevik Russia which would seem to be the examples which hon. gentlemen opposite are willing to follow.

In defence of the position taken by the government and its leader we find two arguments: first, the one raised yesterday by the hon. member for South Cape Breton (Mr. MacDonald) and some days ago by the Minister of Trade and Commerce (Mr. Stevens), namely, that the government had undertaken certain commitments and therefore it is necessary that the powers conferred upon it by the statute of last year should be extended.

I repeat the language of the leader of the opposition (Mr. Mackenzie King) that if there are any commitments, they must surely be known to hon. gentlemen opposite. My hon. friends must know by now that to which they are obligated. They must know almost to a cent the amount for which they have assumed responsibility. If they will tell the house what that obligation, that commitment is, not only shall we vote that, but we shall add fifty, one hundred per cent more, and vote that too.

There is one other argument urged on behalf of the stand taken by the government, one that I heard from the lips of the Prime Minister (Mr. Bennett) himself, and if my recollection serves me well, also from those of the Minister of Trade and Commerce. It is that it is more convenient, more expedient, to carry on business in that way. We all know that this argument of expediency is one which has served to justify every private crime and every piece of political oppression and tyranny since the beginning of the world. Ever since the commencement of time expediency has been the justification of crimes, of oppression. It was expediency which brought about the tearing up of the treaty of Limerick by William of Orange, thereby antagonizing thousands of Irishmen against the British Empire for many years to come. It was expediency that animated the Chancellor of the German Empire in 1914 when he said: "We must cross Belgium; therefore our treaties are a scrap of paper." While I am mentioning this matter of 1914, it strikes me that it is the irony of fate that a nation which sacrificed over 50,000 of its sons in a fight to make the world safe for democracy, fifteen years afterwards is in this house destroying the last vestige of it. If expediency is to be our only guide, may I tell the right hon. gentleman and his colleagues that the lynch law, which is a most expeditious way of dealing with criminals, is a classic example of how expediency and convenience can be made to suit the purpose of an oppressive majority.

One other argument which was heard from the lips of the Prime Minister and, I think, also from those of the Minister of Trade and Commerce, was that no other means were at the government's disposal to deal with this matter of unemployment and farm relief. May I call the attention of hon. gentlemen opposite to the fact that during the election of 1930 the one, the important, the special means which the Prime Minister had to settle the unemployment question, was to call parliament, and to-day, forsooth,

he asks us, in order to settle the same question, to do away with parliament. I say to the right hon. gentleman—who, I am sorry, is not in his place, because I would much rather talk to him than at him—that those words of his are a confession of incapacity. If he cannot, through parliament, through the institutions established from time immemorial, settle the most important question now confronting the Canadian people, then he has no business in a free British country. The place for him is in some South American republic where he can be dictator at his will, or, better still, in Italy or Russia.

It has been suggested by hon. members opposite—and there may be some merit in the suggestion—that they are justified in delegating their authority to the Prime Minister. Without wishing to be offensive, I would say: Were I in their place, instead of sitting here day after day, silent, watching the Prime Minister's every move and gesture, wondering when they will gain a smile from him, I would rather delegate the power to him and go home.

Mr. BELL (Hamilton): The hon. member cannot look at me and say that.

Mr. POWER: No, I was perhaps addressing my remarks to my hon. friend because I recognize in him one who has a sense of humour and who can understand, as I do, the humour of the situation where people of his intelligence are placed in the situation in which he finds himself. Whatever may be the attitude taken by my hon. friends opposite in regard to this matter of delegation of power, surely we, who are elected to represent constituents who do not share the views of hon. gentlemen opposite, cannot be expected to agree with their idea that the greatest man since confederation sits on the treasury bench opposite. Our people do not share that view. Mine have a wholly, a radically different view from that of hon. gentlemen opposite. I believe I have in the house a mandate to represent the electors of the constituency of Quebec South, and also in a constitutional way to represent the electors of every constituency in Canada. But dealing for a moment only with those of Quebec South, I am under the impression that I have some sort of contractual obligation towards them to join in the discussions in this house, to debate matters which are within the competence of parliament, and to express their views. Were I to accept the salary, even a reduced one, and not perform the obligations which I undertook when I stood for parliament, I would feel, and I commend this to hon. gentlemen if perhaps they have the same kind of conscience as that which troubles me, that I had been false to my trust, that I had neglected my mandate, and that I was accepting the salarly under false pretences.

Having dealt with the powers which this act confers upon the executive, and having expressed my own view at least as strongly as I can, namely, that I do not believe that we should delegate such power to any executive or to any person, may I now deal for a moment, and I do it with some reluctance, with the next point which I wish to discuss, namely: Is the person to whom it is proposed to entrust these powers one to whom we can in conscience entrust all authority in the state?

An hon. MEMBER: Yes.

Mr. POWER: The hon. gentleman answers yes, and his opinion is a respectable one, but I regret that during the course of the observations that I wish to make I shall have to differ from him. This is a matter which I find it somewhat distasteful to discuss, since it has been my practice ever since I entered politics not to indulge in or discuss personalities. But on account of the peculiar circumstances of the case, in that it is proposed, as I hope presently to be able to show, to entrust to one man supreme power in this country, and in that this one man has, partly of his own volition and partly on account of the extravagant and exaggerated adulation of his followers, thrown his personality into politics so that it has become almost a political issue, we who take a definite stand on this matter must discuss that personality as any other live political issue. In doing so I wish to speak with candour and frankness and not to be unmindful of the somewhat inexplicable fact that personally I hold the Prime Minister in high esteem. If he were here I would spare his blushes by not enumerating at too great a length the high qualities which he possesses. Suffice it to say that he has talents of no mean order. He is able and energetic. On the other hand, I submit that perhaps on account of those very talents, and perhaps on account of the realization he has that he does possess them, he is unfitted to exercise supreme power and control in a country such as this. His very talents may be those which if checked, controlled, and braked would make him an admirable constitutional Prime Minister, but his very defects are those which I fear would lead this country into calamity and disaster if he were allowed to continue as the dictator thereof. He is, as I think his friends will agree with me, very able, but he is as unstable as the shifting sands.

Some hon. MEMBERS: No.

Mr. POWER: He is inconstant. I am glad to see the Prime Minister coming in. I should like to return, Mr. Speaker, to the category of the qualities which I ascribed to the Prime Minister, as well as the defects which I think more than negative those qualities when he asks us to entrust him with supreme power in the state. I was about to say—and I am very glad that he is here now, so that I can say it to him in the manner of a kind, frank and candid friend—that I believe he is as inconstant as it is possible to be, that he is variable, that he is unstable, and that he lacks in character that ponderation, that prudence and that wisdom which mark the truly great statesman.

Mr. BENNETT: Could you not find another adjective?

Mr. POWER: In order to describe the Prime Minister with praise or blame, one is apt to fall into exaggeration. The exaggeration of praise I may leave to hon. gentlemen opposite. Surely we on this side can tell the truth in the way of blame. However estimable the Prime Minister may be in his private character and in his private relations, I much regret to say that in his public relations here in this house he often exhibits the manners of a Chicago policeman and the temperament of a Hollywood actor.

Mr. STEVENS: Shame.

Mr. BENNETT: Mr. Speaker, I should think this highly characteristic of the hon. gentleman but hardly in order, and certainly out of taste.

Mr. POWER: I regret that my right hon. friend is mumbling again. If he desires to call me to order, I shall be only too glad to sit down while he states his point.

Mr. BENNETT: I should think the observations were not in order, Mr. Speaker, I am perfectly content that the hon. gentleman should exhaust himself, as his colleagues have, in adjectives. I have no complaint to make, but I have been reminded so frequently that I have some responsibility with respect to this house that I would ask the hon. gentleman if he thinks that as a matter of decent conduct in debate he is doing credit to the House of Commons.

Mr. POWER: That is not a point of order, but merely a protest from the right hon. gentleman.

Mr. BENNETT: Not a protest.

[Mr. Power.]

Mr. POWER: If it is a point of order, I am in your judgment, Mr. Speaker. The language which I used is language which I sincerely believe is that which should be attributed to the Prime Minister. I regret that I have to say it, but it is my sincere belief and conviction. An hon. gentleman asked me what good is it going to do? Whether or not the Prime Minister may learn to improve his manner in the house from having listened to those opposite who have had to feel in the past the weight of his cudgels and sometimes the hurt derived from his elephantine sense of humour, whether or not he will improve his manner towards those of us who after all have a perfect right to be here, I at all events shall have discharged my duty by saying what I think is proper to be said.

Having said perhaps all that may be necessary to show that from my standpoint at least the Prime Minister is not one to whom we should entrust the powers he is asking for, may I go a step further and say that the administration of the act which it is proposed by this legislation to extend has not been such as to assure us that we can confide our mandate, abdicate our powers, and allow the government to carry on as they have in the past. Let us see for a moment what steps were taken by the Prime Minister, and to a very limited extent by the members of his cabinet. The general election—I will refer to it only for a moment—was won by the Prime Minister on almost only one issue. It was won —and now perhaps he will not be so displeased—it was won largely through his efforts, and largely through the use of his resources. After the election—probably the greatest personal victory which any statesman had ever won in Canada—he proceeded to organize his government and, taking as his model the soviet system to which I have already referred, he proceeded either rigidly to exclude the intelligentsia from his councils or to reduce them to a state of taciturnity. Having obtained control of his cabinet, he proceeded by the strength of his personality —which admittedly is very great—to overawe and subdue his own followers. During the whole of one session and the greater part of another no one, not even a cabinet minister, was allowed to speak in this house. The situation at that time reminded me somewhat of that which is said to have existed in the city of Boston at one time—

> Where the Lodges speak only to Cabots,
> And the Cabots speak only to God.

Members sitting on the opposite side could talk only to ministers, and the ministers could talk only to the Prime Minister's private secretary.

My right hon. friend, not satisfied with the control of his own cabinet and of his own party, proceeded to overawe parliament, which he did—I will admit it—and by a law passed last session made himself supreme dictator in this country. It is in giving consideration to that act that I think we ought to judge whether or not we should renew our mandate to him. Earlier in my remarks I made reference to his inconsistencies and his instability. I can illustrate this best, perhaps, by referring to the changes in the tariff, whereby a miracle which has not been seen on this earth for many a day was wrought by the right hon. gentleman when he turned potatoes into radishes; or by referring to his course of action on the budget, which provided that no longer would there be any sales tax exemptions, yet one month afterwards he restored all those exemptions; or by referring to his legislation on the income tax, whereby he explained to the house that at last we were to have a real income tax act, and a month or so afterwards, because forsooth someone had intimated that the bill as proposed would have the effect of de-taxing wealthy men—of whom he was admittedly one—this so offended his pride and self-complacency that he scrapped the whole amendment, even although sections of it were in the general interests of Canada.

But to revert to the procedure followed in the Unemployment and Farm Relief Act. The first phase, if I may so call it, was that of extraordinary and extravagant expenditure. The right hon. gentleman and his followers went about the country, I will not say hat in hand, but begging municipalities, railways, provinces, "For heaven's sake, spend money." They were endeavouring to spend their way out of depression. Acting under those instructions and following that theory, public works were begun from one end of the country to the other: they built everything from sewers to cemeteries, from theatres to —well, they are called vespasiennes in French. The next phase was when they began to economize on the money voted for public works by this parliament and thus shift the burden on the municipalities and the provinces. The third phase was a still more drastic curtailment, followed by what practically amounted to a policy of dole—a dole not restrained, not covered by any legal enactment, but a dole of the kind which it was impossible to control in any way, shape or form. The fifth phase—the phase that we seem to have reached now—is that in which persons receiving relief are obliged to give notes. I heard with considerable interest the statement of the hon. member for Winnipeg North Centre (Mr. Woodsworth) to the effect that in the city of Winnipeg people receiving relief—I take it that means the labouring classes and the middle classes—to the extent of $3, $4, or $5 worth of groceries every week are obliged to sign a note before they can obtain that relief.

Mr. BENNETT: That comes from the province.

Mr. POWER: Whether it comes from the province or from the federal government, the responsibility taken by my right hon. friend was to relieve unemployment, was to give those people work—at least when he gives them charity let him not ask them for a note in return.

Mr. BENNETT: He did not; that was the Manitoba government.

Mr. POWER: Take it in whatever way the right hon. gentleman wishes, one-third of the relief, if I understand it correctly, is payable by the federal government, one-third by the province of Manitoba, and one-third by the municipal authorities. Well, in Winnipeg, as I read the statement made by the member for Winnipeg North Centre, there is no question of giving a note for one-third of the relief to the municipality; a note is given for the whole amount of the relief. If that is the situation in Winnipeg, I ask my right hon. friend how it is that the citizens of Manitoba are being penalized when the citizens of other sections of the country are not. In my city you are not asking for notes—nobody is asking for notes in return for relief. If notes were asked in return for relief, I can assure the right hon. gentleman that that is not the kind of relief that we expected from him.

So that we have five different policies in respect of unemployment alone. I ask hon. gentlemen opposite—I know it is useless; I ask hon. gentlemen on this side of the house: Can they conscientiously give full power and authority to someone who on the face of it, and on the face of his past performances in this very matter, does not know which way he is going, how he is going, or how far he is going?

In regard to the whole question of unemployment relief, I am firmly convinced that if it were possible for the Prime Minister to admit for one moment even the suspicion that he had made a mistake—which I doubt—he would have to say that in his own heart and soul he has been bitterly disappointed in the success or lack of success of this relief measure, and that he knows this policy has been an

utter dismal failure. I have here extracts which I do not propose to read, but from which I gather that the very men who supported the Prime Minister, who were his most enthusiastic backers, who saw in him a great business man who had the training and ability to bring Canada out of this crisis, now are convinced that the very best thing he can do in regard to this matter of unemployment relief is to welsh on the promises he made during the election. I do not know that it is necessary for me to translate for the benefit of my right hon. friend the meaning of a word borrowed from the gambling houses and the race tracks, but a welsher is a man who does not pay his debts of honour or who does not redeem his promises. I believe that the great body of the supporters of the Prime Minister would like him now to abandon his useless attempt to gamble with the future of this country, and to come before this house and the country and say, "I recognize that this depression, which I believed would last six months or a year, is of much longer duration, and I realize that no new Moses can bring us out of our difficulty but that it is a matter which must be dealt with by the common and concerted effort of all the people."

I believe that if instead of saying to members of this house, "I do not want your advice; I will not listen to you; I, and I alone, am sufficient to deal with this matter and settle the affairs of the Canadian people," the Prime Minister would take another attitude and really seek the cooperation of those who are just as sincere and just as patriotic as he, and of those who believe in the future of this country just as much as he believes in it, more good would be done. There are no whispers of death from this side of the house; there is not one of us who does not believe that this country will come through with flying colours, but if we wish to retain our self-respect we cannot concur for one moment in the proposal that only by giving one man supreme and unlimited power, by giving him supreme control over the finances, the lives, the properties and the laws of the people of this country, can we get out of the present depression. To that proposition we answer no.

Mr. CHARLES EDOUARD FERLAND (Joliette) (Translation): Mr. Speaker, I feel in duty bound to raise my humble voice in a protest against this pernicious legislation which the government, thanks to a servile and submissive majority at his command, is attempting to pass.

This debate deals with the resolution of the right hon. the Prime Minister who moves that the house resolve itself into committee and decide "that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor." In other words, he is asking for the extension of two months, of the legislation which is the subject matter of this discussion.

In the days of my youth, I often heard children singing this proverbial truism: "Mr. de la Palisse is dead; he lost his life; a quarter of an hour before his demise, he was still living." Our friends on the government side have gone to a great deal of trouble in their attempt to show that this legislation, null and void since the first of March, is still extant and should survive another two months.

During this debate, it has been shown to the satisfaction of those willing to examine facts dispassionately and without any evidence of unfairness, that this legislation has not given the results which the government expected from it. Everybody knows that, under the measure which was intended to remedy unemployment and give relief to the farming community, nothing whatsoever was done for the farmers in the province of Quebec; it is also a well known fact the number of the unemployed has been steadily increasing throughout the country; and lastly, out of the millions spent for the relief of the unemployed, only $3 went to the men employed for each labour day that cost the sum of $10 to the government. At least, it is realized that the suggestion made by the right hon. the Prime Minister calls for no constructive action as far as the future is concerned and that we are merely asked to extend, for two months, or for a month and a half from this day, the dictatorial powers which will enable the government to go on spending the public funds without the advice of parliament and under which the government shall be authorized to amend or disregard existing laws without consulting parliament and in contradiction with parliamentary traditions.

During this debate, a good deal has been said about the right hon. the Prime Minister. On the one hand, hon. members from both sides of the house were pleased to admit that he was a man of brilliant achievements, a lawyer of great standing and a business man of vast experience. Some went so far as to endow him with extraordinary powers, at times comparing him to an emperor, then calling him a dictator; others went farther and said of him that he was the Mussolini of Canada. Reference was also made to the

exaggeration of his qualities, obviously in connection with his administration of public affairs. This afternoon, the hon. member for Provencher (Mr. Beaubien) even suggested that, had the Prime Minister been a married man, he would have proved a better administrator.

Mr. BARRETTE (Translation): That will come.

Mr. FERLAND (Translation): As the saying goes, talent is acquired in the solitude of study while a person's character develops itself in society. It seems to me that, if the Prime Minister, who is a man of rare talent, had married, the companionship of a comely Canadian woman, would have somewhat tempered his rather autocratic disposition. It might be argued that my leader is in the same situation; but it must be remembered that the latter has been in power for nine years and that during this period, he has devoted himself to his country; he contracted a solemn and lawful marriage with the population of Canada which became his sole concern; and we all know how imposing and numerous a family will be his at the next election.

Mr. BARRETTE (Translation): Where is the lady?

Mr. FERLAND (Translation): Mr. Speaker, the 30th of June, 1930, was a fateful day for Canada. Shortly after the Conservative party was elected, a special session of parliament was called. At that time was inaugurated by the government a sinister era of extravagance; and from that day they have met with the approval of all the political clowns in the Conservative party who do not mind witnessing this disregard of the constitution, ignoring perhaps a century of struggle for responsible government, and at least nearly a hundred years of constitutional liberty won at the greatest cost.

When members on your right, sir, endeavoured to uphold the act under discussion, all, without exception, avoided, by all means, to discuss the constitutional aspect of the question. They contented themselves with stating that they had confidence in their leader: and each time we pointed out to them that our constitution, our traditions, our parliamentary usages and customs were being outraged by this resolution, their only answer was: "Magister dixit," the master has spoken, "ipse dixit," we are fully satisfied.

This act which one endeavours to revive, at present, has been disapproved and condemned by an important section of the press of this country, by numerous institutions, by all members of the opposition and even by the Canadian Bar Association of which the right hon. Prime Minister was president in 1929 and of which he is still a member, so that I can state, with some truth, that this resolution has been disapproved and condemned by the Prime Minister himself. Let me simply point out, in this respect, that at the last meeting of the Canadian Bar Association, in October, 1931, the president, a legal light in Quebec, Mr. St. Laurent, spoke as follows in his presidential address, as reported by the Canadian Bar Review of October, 1931, at page 525 and the following. I shall quote his words in English, as I have not the French version:

> A delegation by parliament of its powers in the widest possible terms the executive authority for the period during which the act is to remain in force.

And, on page 528, he continues:

> . . . in these trying times great indeed are the responsibilities of statesmanship, but great also is, at all times, the responsibility of the legal profession to guard with the utmost care, giving of course due and unprejudiced consideration to all pertinent circumstances, against any measure which might tend to unduly abridge the actual participation of the citizens at large in the making of the laws under which they shall live and their actual and timely control over the expenditures of their common funds.

Parliament has now been in session for almost a month and a half; we are aware that unemployment is wide spread throughout the country and distress exists in all towns large or small. May I state that in the town of Joliette alone, which comprises hardly 11,000 people, there is almost 700 unemployed who to support their families, can only obtain a few days of work per week from the municipality. It is amazing to note that the government, notwithstanding its pledge to relieve the situation and to improve the lot of the workmen, has not yet thought fit to take efficient means to put an end to the widespread distress in this country. One would have thought that the government would seek, for instance, to find a solution to the desperate situation in which are our railways. Every day we are informed that their returns are gradually decreasing; every day we are told that the management is forced to dismiss its employees. In the town of Joliette alone, which I have the honour to represent in the house, constantly employees are dismissed who, for the last fifteen or twenty years, earned honourably a livelihood in the employ of the railways, to-day they are without work and unable to find any occupation as they know no other trade which might facilitate their earning a livelihood.

Mr. BARRETTE (Translation): That is due to Mr. Thornton.

Mr. FERLAND (Translation): It is a pity that the government does not exert itself more in seeking to adopt measures better designed for the welfare of this country, when we witness industries dismissing a number of their employees and cutting the salaries of others, when foreign trade decreases from day to day owing to the Chinese wall which the government has erected by its tariff policy and which precludes the advantages of foreign trade; when farmers are starving and a great number of them have been bankrupt, their products selling at wretched prices and they are forced to purchase at exorbitant prices the articles they cannot produce themselves.

Our hon. friends opposite have often stated that we should suggest to the government the measures to be taken to relieve unemployment. It was shown by Liberal speakers that a great number of practical suggestions were made, but that the government completely ignored them.

Mr. BARRETTE (Translation): What does the hon. member suggest?

Mr. FAFARD (Translation): That you should hold your tongue.

Mr. FERLAND (Translation): If one takes into account the disastrous effects of the Conservative policy, the most pressing matter would be an appeal to the people, the calling of an election that would bring about a change of government.

An English humorist once stated that the parliament of Great Britain could do anything except change a man into a woman. The right hon. Prime Minister with this resolution—

Mr. BARRETTE (Translation): He never attempted that.

Mr. FERLAND (Translation): —with this audacious resolution enabling him to take away parliament's powers and entrust them to the executive, conveys the impression that he also believes himself capable of doing anything. I would not be surprised if he tried in South-east Grey at the next elections to change into a man the only woman member we have the honour of sitting with in this house.

Mr. BARRETTE (Translation): I object.

Mr. FERLAND (Translation): Mr. Speaker, it is interesting to note the results of the Conservative policy as distinguished from the results secured under a Liberal régime. If we look backwards a little, we observe that each time the Liberal party assumed the reins of office it restored prosperity to the country. On the other hand, the Conservative party always was a bad administrator and an impediment to the country's progress. That party's administration always ended with deficits and a general business stagnation throughout the country. In 1896, when Sir Wilfrid Laurier was returned to power, our friends from the province of Quebec who were elected on the butter issue, the butter-makers as the hon. member for Bellechasse (Mr. Boulanger) called them this afternoon, will recall that eggs were selling at that time for eight or nine cents a dozen, and butter brought a ridiculously low price, varying from ten to fifteen cents a pound, according to the season. In 1930, when the Conservatives promised during the election campaign to secure forty cents a pound for butter—

Mr. BARRETTE (Translation): That will come.

Mr. FERLAND (Translation): —they succeeded in seizing power, yet, what happened? Butter was sold at a ridiculous figure that ranged during the summer—

Mr. BARRETTE (Translation): Twenty-nine cents.

Mr. FERLAND (Translation): —from fifteen to twenty cents a pound in the various Canadian markets, this depending on the districts where the commodity was offered. Eggs are also being sold at an exceedingly low price.

Mr. BARRETTE (Translation): Thirty-seven cents.

Mr. FERLAND (Translation): There is very little demand for all the other products. The farmer can find practically no market for his commodities. In a word, everything seems on the verge of a collapse throughout the country.

Mr. Speaker, this measure which the government seeks to adopt transcends mere material things. There is a principle at stake. It seems to me the country must be rather puzzled that the Conservative members, particularly those from the province of Quebec, many of whom were educated in classical colleges, took university courses and entered the professions, and who, for that matter, acquired a thorough knowledge of our country's political history, know what our forefathers sacrificed to secure responsible government and are not unmindful of their struggles to win our constitutional liberties; it seems to me,

Canadians must find it strange to see these hon. members ready to surrender the rights of parliament and place the country in that particular situation that obtained more than a hundred years ago when it groaned under the rule of the "Family Compact." The country must consider it an extraordinary spectacle, the readiness on the part of these gentlemen to repudiate many centuries of stern struggles and show contempt for the finest pages written into our political history. I tell these hon. members they will have to give an accounting to the people who trusted them, and justify their betrayal. I may state they will be as helpless to justify their change of front as they proved to be when trying to motivate in this chamber the measure they seek to adopt. This is a radical enactment and we are duty-bound to oppose it. It runs counter to our most cherished traditions, to the time-honoured interpretation of our laws and to the constitution the people gave themselves. I say the Liberal members have nobly done their duty in opposing energetically, with all their might, this dangerous law which creates a precedent other governments or other parties could invoke at some later date.

In closing, I also wish to register my protest against this measure which marks a tendency in a certain direction and is also altogether too radical. I want my electors to know that we remember the past, respect our traditions and meet the people's wishes. Finally, I want the whole country to know that the descendents of the Sons of Liberty do not quail before the successors of the notorious Family Compact.

Mr. J. FERNAND FAFARD (L'Islet) (Translation): Mr. Speaker, allow me to offer my congratulations to the hon. members for Joliette (Mr. Ferland), Quebec South (Mr. Power) and to the other speakers who preceeded me upon their splendid treatment of the various aspects of the resolution before the house.

At the risk of displeasing the hon. member for Regina (Mr. Turnbull) who seems to have taken upon himself to count the number of columns each member fills in the pages of Hansard, you will allow me to address the house for a few minutes. I hope the hon. member for Regina will for once be liberal enough to forgive me. I will try and avoid offending the chaste ear of the hon. member for Berthier-Maskinonge (Mr. Barrette).

The resolution we are debating is so important that I would feel remiss in my duty to the electors of L'Islet county if I did not rise to voice my protest against the autocracy of a government which wants to take from us the rights bequeathed by the Fathers of Confederation, and also against the shameless expenditures effected under cover of the bill we are now asked to revive.

Before proceeding any further, Mr. Speaker, allow me to advert for a moment to the speech delivered in this house during the week by the hon. member for Dorchester (Mr. Gagnon). The member for Dorchester tried to graft his political career upon that of the hon. member for Quebec East (Mr. Lapointe)—

Mr. BARRETTE (Translation): He was not wrong.

Mr. FAFARD: Certainly not. However, he did forget one thing. In order that grafting may be successful, it must be practised upon a tree of the same family and size, that is if my memory of the lessons I learnt in botany serves me well. I think I can claim to be a true prophet when I state the grafting tried by the hon. member for Dorchester will not succeed and the new shoots will never bear fruit. For instance, there is one thing certain, though. The tree representing the riding of Quebec East will continue to thrive in the province of Quebec and throughout Canada. Its powerful branches will continue to canopy the Canadian soil it loves so deeply, and it will continue to bear those fruits which right-thinking Canadians could not fail to relish.

The member for Dorchester is one of my personal friends. He is a talented young man who completed a brilliant course at Oxford University. He is an able lawyer and possesses the gift of self-expression. In 1930, he abused the good faith of the electors of Dorchester county to whom he promised butter bringing sixty cents a pound and a general increase in the prices of all farm products if his party achieved power. Unfortunately for him, the Conservative party did come to power and the hon. member for Dorchester realizes that his promises have not been fulfilled. Thus, somewhat put out and finding perhaps his popularity waning in his riding, he thought it would be an excellent thing for him if he tried to reestablish himself before public opinion. I am not sure whether I am mistaken, but in his speech he seem to be trying to undermine the popularity of the hon. Solicitor General (Mr. Dupré) and that of his colleagues, for he kept repeating that he received requests from Levis and the ridings in the vicinity of Quebec. He wanted to show thereby, perhaps, that his popularity was much greater than that of the Solicitor General. However, I am under the impression —I may be in error—the great ambition of the hon. member for Dorchester is to secure

appointment as Postmaster General and if his recommendation alone were lacking to ensure the elevation of the Postmaster General (Mr. Sauvé) to the Senate, I would not be surprised if he gave it very heartily.

If I had a word of advice to offer to the hon. member for Dorchester who is somewhat my junior in politics, I would tell him it sometimes bodes ill to try to build a political career upon the wreckage of another man's career. I regret that this talented young man tried to discredit the province of Quebec during the few minutes he spoke. He stated in the course of his speech that the electors of the province of Quebec had sold themselves last fall. I am more experienced than the member for Dorchester. I have taken part in several election campaigns, both provincial and federal, in the county of L'Islet, and I defy him to buy the vote of a single elector in my riding. I think I could make the same assertion with respect to the electors of Dorchester County. One proof that the electors did not sell themselves during the last provincial election is to be found in the fact they did not vote for the opposition party which promised them money at a rate of two per cent.

In the course of the last election campaign, the hon. Solicitor General covered the whole district of Quebec with a well-appointed organization for this pilgrimage. He was surrounded by brilliant speakers. He even had a loud speaker which he could make use of, when oratory failed, to broadcast selections played on a Victrola. Mr. Speaker, do you know what happened in all the Quebec ridings where he spoke? The Liberal candidates were elected. There was but one place where the hon. Solicitor General did not speak, his own riding. A Conservative was elected there.

Mr. BARRETTE (Translation): He had no Victrola.

Mr. FAFARD (Translation): I stated a moment ago this resolution was unconstitutional. We are contending to-day for rights given us at confederation; those rights for which our forefathers fought so many years. It is no longer a question of Conservatives or Liberals, of "reds" or "blues" in this chamber. We are concerned with the preservation of rights handed down to us. All of us were elected, you who sit to the right of Mr. Speaker, we who sit on his left, to pass laws that inure to the advantage of the country, and vote what money is required for the good government of Canada. Are we to now destroy the laws we enacted? Have we the right to do so, especially after the abuses committed under cover of the bill that expired March 1? I say no. You command a majority. By resorting to force, you may possibly succeed in carrying this resolution, but should you follow that course, I have no hesitation in saying you will sully the mandate your electors committed to your care.

Did the Prime Minister himself (Mr. Bennett) not state in his speech some ten days ago that it was repugnant to him to introduce such a measure? The right hon. Prime Minister knows full well he should not administer the country by orders in council, and that it is the function of parliament to legislate. I hold in my hand a copy of a very ably edited Conservative newspaper, L'Evénement. When a delegation came here some days ago to meet the premier and request grants for the city of Quebec, what was his answer? "This is a question which parliament must decide at the proper time."

Mr. Speaker, I ask myself why the members to the right do not approach their leader at the next party caucus, in order to submit to him—that which he admits himself when receiving delegations—that parliament must settle these questions? Why does he not adopt the same attitude in this house?

During nine years, from 1921 to 1930, our opponents preached on all sides the gospel of a very high customs tariff. We heard them proclaim repeatedly in various ways but always with great eloquence the advantages to be derived from such a fiscal policy. I well recall them telling us during that period: Gentlemen of the Liberal party, if we had a high tariff, you would see industries developing throughout the country and there would be no unemployment. Everybody being employed, there would be a steady market for farm products. At the 1930 session, the present government unfortunately put this policy of high protection into effect, and one has but to look around to-day to note the consequences. Our opponents tell us the tariff has resulted in the establishment of about one hundred new industries, but they refrain from adding the same tariff caused some three or four hundred industries to close their doors. At all events, nobody can confute this simple argument: If industries prospered as they did under the Liberal administration, we would not have the number of unemployed we have to-day.

Mr. Speaker, this much is obvious: the Conservative policy has operated disastrously. The Prime Minister himself admitted as much last summer. I remember him stating at that time in a moment of despair: "Only Providence can save us." I am convinced if Providence had told him: "Mr. Premier, I am

willing to bring back prosperity if you will only withdraw your blank cheque," he would have replied: "My answer is no."

Mr. Speaker, the time has arrived when one must face squarely the grave conditions prevailing throughout the country. This is not the time to tell those who appeal to parliament for work or bread: "Get the Olympic spirit." This is not the time to tell the farmers who cannot find markets for their products: "Get the Olympic spirit." When the hour strikes for the people to pass judgment on the government's policy, and our friends face the electorate we will tell them: "Get the Olympic spirit."

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Monday, March 21, 1932

The house met at three o'clock.

BUSINESS OF THE HOUSE

GOVERNMENT ORDERS TO HAVE PRECEDENCE ON MONDAYS

Right Hon. R. B. BENNETT (Prime Minister) moved:

That on Mondays after the 21st March instant, until the end of the session, government notices of motions and government orders shall have precedence over all business except questions by members and notices of motions for the production of papers.

Motion agreed to.

PRIVILEGE—MR. VENIOT

Hon. P. J. VENIOT (Gloucester): Mr. Speaker, I rise to a question of privilege. I hold in my hand the St. John Telegraph-Journal for March 19, 1932, which contains the report of a speech delivered in the New Brunswick legislature on Friday last by the Minister of Public Works for that province, in which reference is made to myself. The report states:

In Gloucester the ex-Postmaster General had made charges which, if based on facts, would have been grave.

At his request, Hon. Mr. Stewart continued, an official from the federal government had investigated the charges, which were disproven.

The complaints I made to the department were not reported on at all. A report was submitted by Mr. Carter, referring to only one complaint which, after all, was not made to him by myself, and in that connection he stated that no federal money had been expended on that particular road. When I was speaking on February 23 the Minister of Labour interrupted to state that on none of the roads mentioned by me in connection with my complaints had federal money been expended. I differed with the minister and repeated the statement that federal grants had been made in connection with the roads upon which my complaints were based. I have before me a report submitted by the Minister of Public Works of the province of New Brunswick, which was laid on the table of the legislature last week and which gives the list of works for which federal aid has been received. The name of every road mentioned by me on February 23 is to be found in that list.

I take objection to the statement that the complaints or charges which I had to make have been disproved. That is not the case, and I am prepared to stand by what I stated at that time.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

LOANS TO BRITISH COLUMBIA

Mr. REID:

What sums of money were granted or given by way of a loan, to the province of British Columbia for purposes other than grants or loans under the Unemployment Relief Act of 1931, during the fiscal year 1931-1932, giving the amount of money, if any, so granted and the respective dates any such moneys were given and for what specific purpose?

Mr. CAHAN:

Amount	Date	Specific purpose of payment
$ cts.		
369,408 33	July 2, 1931	Amount due on subsidy account.
369,408 33	Jan. 2, 1932	" " "
4,302 67	Oct. 19, 1931	Subvention under Employment Offices' Co-ordination Act quarter ending June 30, 1931.
4,529 24	Feb. 5, 1932	Subvention under Employment Offices' Co-ordination Act quarter ending September 30, 1931.
162,383 52	April 19, 1931	Dominion Government's proportion of expenditure under Old Age Pensions Act quarter ending March 31, 1931.
167,228 53	July 31, 1931	Dominion Government's proportion of expenditure under Old Age Pensions Act quarter ending June 30, 1931.
175,134 42	Oct. 27, 1931	Dominion Government's proportion of expenditure under Old Age Pensions Act quarter ending September 30, 1931.
182,752 12	Jan. 28, 1932	Dominion Government's proportion of expenditure under Old Age Pensions Act quarter ending December 31, 1931.

CANADIAN NATIONAL RAILWAYS—UNITED STATES COAL

Mr. RALSTON:

1. What is the amount of United States coal: (a) anthracite; (b) bituminous, used by the Canadian National Railways during the year 1931?

2. What was the cost of such coal?

3. What is the analysis of the marketable grade of United States coal used on Canadian National Railways compared with the marketable grade of: (a) Springhill; (b) Cape Breton coal suitable for such use?

4. What are the comparative prices of such Cape Breton coal, Springhill coal and American coal delivered at Montreal and Toronto by water?

5. Is there a satisfactory coal handling plant at Toronto and Levis, and what coal storage is there in each of such places?

Mr. MANION:

1. (a) United States anthracite 6,350 tons; (b) United States bituminous 1,585,459 tons.

2. The cost of United States anthracite was $59,333.13, or $9.34 per ton on cars Canadian National tracks. The cost of United States bituminous was $6,182,479, or $3.90 per ton f.o.b. cars Canadian National tracks, duty paid.

3. Approximate chemical analyses on "air dry" basis are as follows:

—	R/M Pittsburg No. 8 seam, Belmont Co., Ohio	Nut Freeport seam, Armstrong Co., Pa.	R/M Pittsburg seam, Indiana Co., Pa.	Egg Pittsburg seam, Monongalia Co., N.W. Va.	R/M Cape Breton various mines, Sydney area	R/M Springhill
Moisture	1·50	0·97	1·00	0·83	1·38	1·55
Volatile	39·50	32·52	33·28	35·44	32·32	32·27
Fixed carbon	50·90	60·04	59·05	57·39	58·45	58·62
Ash	8·10	6·47	6·67	6·34	7·85	7·56
Sulphur	4·00	1·82	1·51	1·52	3·29	1·71
B.T.U	13,500	14,256	14,232	14,377	13,834	13,654

These figures are based on C.N.R. sampling and analyses, and are considered by Canadian National authorities to be representative.

4. Water delivery at Montreal; duty and wharfage paid: Cape Breton coal, $5.10 on cars; Springhill coal, no information; United States coal, $4.78, including exchange, $4.52, excluding exchange; British Coal, $4.38.

The above figures are f.o.b. cars and do not include anything for winter storage, etc.

Water delivery at Toronto: Cape Breton coal, $5.65 to $5.75 f.a.s., $5.94 to $6.04 on cars, wharfage paid; Springhill coal, no information; United States coal ex Erie, $4.12 on cars including wharfage, with exchange, $3.86 on cars including wharfage, without exchange.

Water delivery to Toronto, thence rail to Mimico, add 10 cents to above figures, as approximate out-of-pocket cost of haul.

Note.—The cost of water delivery of Cape Breton coal to Toronto, is not credited with any subvention, as it is the understanding of the railway company that subvention assistance so far only applies to railborne movement.

5. In the opinion of the Canadian National Railway authorities there is not a satisfactory coal-handling plant at Toronto. At Levis there is one. There is no coal storage space adjoining the Levis plant, but there is space for 250,000 tons at Joffre, nine miles from Levis dock.

The railway officials claim that the analysis of a coal does not tell the whole story, because some coals may be fairly high in B.T.U's, but are friable and difficult to handle. However, the analyses given are representative of coals which the railway is now using.

There is no Springhill coal, so far as the company is aware, shipped by water to Montreal.

In all cases the figures used relate to net tons.

WEDGEPORT, N.S.—LONG WHARF

Mr. RALSTON:

1. Were moneys paid out in cash by the foreman or other person paying workmen, in connection with the repairs to Long wharf at Wedgeport under the Unemployment and Farm Relief Act of 1931?

2. If so, to whom and in what amount, and by what method was such cash made available to such persons or person?

Mr. STEWART (Leeds):

1 and 2. All wages at Wedgeport, N.S., unemployment relief works were paid by individual cheques sent to the foreman for distribution.

MONTREAL ELEVATORS

Mr. ROSS:

1. How much grain has been received in Montreal elevators, shipped or transferred from Buffalo, U.S.A.?

2. How much of this grain arrived in: (a) Canadian boats; (b) American boats; (c) Eastern Transportation Company boats?

Mr. STEVENS:

1. See statement below.

2. See statement below

Canadian grain shipped from United States ports (principally Buffalo), to Canadian ports (principally Montreal), down the Welland Canal.
1931

—	Wheat	Oats	Barley	Total
	bushels	bushels	bushels	bushels
In United States boats	282,700	.....	31,000	313,700
In Canadian boats	9,634,700	195,705	1,516,750	11,247,155
*In Eastern Steamship Company boats	3,435,038	.....	337,605	3,772,643

*Included in "Canadian Boats".

NEW GLASGOW, N.S.—WHARF

Mr. ILSLEY:

1. What amount of money was expended by the government during the year 1931 on repairs and extensions to the public wharf at New Glasgow, Nova Scotia: (a) for material; (b) for labour?

2. Who was the foreman in charge of the work?

3. What remuneration did he receive?

4. On whose recommendation was he appointed?

5. In what capacity was Clifford Rose of New Glasgow employed?

6. What remuneration did he receive?

7. On whose recommendation was he appointed?

8. By whom was the timber for said work supplied?

9. Were tenders called for the supply of timber?

10. Who was the lowest tenderer?

Mr. STEWART (Leeds):

1.

(a) Material.. .. ..$ 6,027 63
(b) Labour.. .. .. 4,678 20

$10,705 83

2. J. H. McDonald

3. $5 per day for 81 days from November 19, 1931, to February 23, 1932, total $405.

4. District engineer.

5. Employed as sub-foreman.

6. $4.50 per day for 81 days from November 19, 1931, to February 23, 1932, total, $364.50.

7. District engineer.

8. C. H. Glendinning, New Glasgow, N.S.

9. Yes.

10. C. H. Glendinning lowest on whole order.

LIEUT.-COL. DANIEL SUTHERLAND

Mr. ILSLEY:

1. In connection with inspection of wharves and other construction work by the present government, what position does Lt.-Col. Daniel Sutherland, formerly of Halifax, Nova Scotia, and now of Pictou, Nova Scotia, hold?

2. On whose recommendation was he appointed?

3. What are his duties and his salary?

Mr. STEWART (Leeds):

1. Supervising foreman for eastern Nova Scotia, in connection with works carried out by Public Works department and authorized under Unemployment and Farm Relief Act, 1931.

2. District engineer.

3. (a) Answered by No. 1; (b) $7 per day.

CHAMBLY CANAL—SUPERINTENDENT

Mr. GOULET:

1. How was the present superintendent of the Chambly canal appointed?

2. Who asked for the inquiry which was held last year in connection with certain employees of the Chambly canal?

Mr. MANION:

1. Appointed by Civil Service Commission, after usual advertisement calling for applications.

2. Hon. Mr. Duranleau.

JOSEPH DESROSIERS

Mr. LAFLECHE:

1. Is Joseph Desrosiers, inspector of fruits, in the county of Rimouski, still in the employ of the government?

2. What was the total amount of salary paid to him from July 28, 1930, to January 1, 1932?

3. Is he paid by the day or by the month?

Mr. WEIR (Melfort):

1. Yes.

2. $1,528.85.

3. By the month except for occasional work on per diem basis during the period of the year when he is not on continuous duty.

TECHNICAL EDUCATION GRANTS

Mr. SPEAKMAN:

1. What sums, if any, have been paid each province, under the provisions of the act passed by this parliament last session, and which provided for the payment of an annual grant, for the purpose of assisting technical and vocational education?

2. Was an order in council issued, suspending the payment of this grant?

3. If so, when was this order in council issued, under what authority, and for what period was the payment of this grant suspended?

4. Is it the intention of the government to rescind the said order in council within the near future?

Mr. GORDON:

1. None.

2. No.

3 and 4. Answered by No. 2.

QUESTIONS PASSED AS ORDERS FOR RETURNS

UNEMPLOYMENT RELIEF—QUEBEC

Mr. CASGRAIN:

1. When were projects to aid unemployment in the province of Quebec for the year 1931, submitted to the federal government for approval, and what projects were so approved?

2. What amount was allocated to the province of Quebec for unemployment relief works up to March 31, 1931, and how much for the fiscal year ending March 31, 1932?

3. What projects were approved for the year ending March 31, 1932, and what were the dates of approval?

4. What projects, if any, were approved in the years 1931 and 1932, to the 31st of March, in the county of Charlevoix-Saguenay, and for what amount in each case?

CENSUS ENUMERATORS—BROME, MISSISQUOI

Mr. RHEAUME:

1. Who was in charge of the census enumerators in Brome-Missisquoi in 1931, and how much did he receive for his services?

2. Who was the enumerator in each municipality, and how much was each paid?

Mr. STEVENS: Tabled herewith.

TRADE WITH ARGENTINE

Mr. McKENZIE (Assiniboia):

1. Of what commodities did our exports and imports with Argentine consist in each of the years 1930 and 1931?

2. What were the amounts and values of same, by months, in each of the said years?

3. Does the general or the intermediate tariff rate apply on goods between Canada and Argentine?

[Mr. LaFlèche.]

CANADIAN NATIONAL RAILWAYS—DINING CAR EMPLOYEES

Mr. LAFLECHE:

What are the names of the employees on the dining cars of the Canadian National Railways travelling between Montreal and Halifax?

CANADIAN MERCHANT MARINE

Mr. LAFLEHCE:

1. What are the names of all vessels of the Canadian merchant marine?

2. What are the names of the men manning each of said vessels?

J. D. PARMELEE

Mr. PICKEL:

1. What was the amount of the travelling and other expenses, year by year, from 1919-20 to 1924-25 of Mr. J. D. Parmalee, late inspector of customs for the Sherbrooke division?

2. What was the amount for travelling and other expenses year by year from 1926-27 to date, for the same services performed by Mr. J. C. A. Bordeleau, present customs inspector of the same division?

UNOPPOSED MOTIONS FOR PAPERS

UNEMPLOYMENT RELIEF—LEVIS

Mr. POWER:

For a copy of all papers, correspondence, reports and pay sheets, giving in detail the name of each person employed, the amounts paid for labour, and the amounts paid for material in connection with work performed at Levis, Quebec, under order in council, P.C. 2650.

VALCARTIER CAMP

Mr. POWER:

For a copy of all papers, correspondence, reports and pay sheets, giving in detail the name of each person employed, the amounts paid for labour, and the amounts paid for material in connection with repairs and improvements at Valcartier camp, Quebec, under order in council, P.C. 2650.

FORTIFICATION WALL—QUEBEC

Mr. POWER:

For a copy of all papers, correspondence, reports and pay sheets, giving in detail the name of each person employed, the amounts paid for labour, and the amounts paid for material in connection with work performed on the fortification wall at Quebec, under order in council, P.C. 2650.

JERSEY COVE, QUEBEC, LIGHTKEEPER

Mr. BRASSET:

For a copy of all correspondence, telegrams, and other documents, including copy of evidence heard at the inquiry in connection with the charge of political partisanship against Mr. Camille Dunn, of Cap des Rosiers, lighthouse keeper at Jersey cove, county of Gaspe.

ST. GEDEON, QUEBEC—WHARF

Mr. DUGUAY:

For a copy of all correspondence, accounts, and vouchers, relating to the expenditure in connection with the wharf at St. Gedeon, from January 1, 1929, to December 31, 1930.

IVRY, QUEBEC, POSTMASTERSHIP

Mr. POULIOT:

For a copy of all correspondence, evidence, inquiries, reports, petitions and other documents, in connection with the dismissal of Joseph Morneau, postmaster at Ivry, county of Témiscouata, Quebec, and the appointment of his successor.

LAMY SUD, QUEBEC, POSTMASTERSHIP

Mr. POULIOT:

For a copy of all correspondence, evidence, inquiries, reports, petitions and other documents, in connection with the dismissal of Mr. Narcisse Ouellet, postmaster of Lamy Sud, county of Témiscouata, Quebec, and the appointment of his successor.

RAUDOT, QUEBEC, POSTMASTERSHIP

Mr. POULIOT:

For a copy of all correspondence, evidence, inquiries, reports, petitions and other documents, in connection with the dismissal of Mr. Andre Beaulieu, postmaster of Raudot, county of Témiscouata, Quebec, and the appointment of his successor.

CHEMIN DU LAC, QUE, POSTMASTER

Mr. POULIOT:

For a copy of all correspondence, evidence, inquiries, reports, petitions and other documents, in connection with the dismissal of Mr. A. Bélanger, postmaster of Chemin du Lac, county of Témiscouata, Quebec, and the appointment of his successor.

RIOU, QUE., POSTMASTERSHIP

Mr. POULIOT:

For a copy of all correspondence, evidence, inquiries, reports, petitions and other documents, in connection with the dismissal of Mr. Omer Sirois, postmaster of Riou, Quebec, and the appointment of his successor.

DENONVILLE, QUE., POSTMASTERSHIP

Mr. POULIOT:

For a copy of all correspondence, evidence, inquiries, reports, petitions and other documents, in connection with the dismissal of Mr. Thomas Dubé, as postmaster of Denonville, county of Témiscouata, Quebec, and the appointment of his successor.

NORMANDIN, QUE., POSTMASTER

Mr. POULIOT:

For a copy of all correspondence, evidence, inquiries, reports, petitions and other documents, in connection with the dismissal of the postmaster at Normandin, Lake St. John, and the appointment of his successor.

ISIDORE JEAN

Mr. POULIOT:

For a copy of all correspondence exchanged between Mr. Isidore Jean, of Sully, Quebec, and all other ministers, except those of the Post Office and Pensions and National Health, relating to the position of postmaster at Sully, Quebec.

WEDGEPORT, N.S., LONG WHARF

Mr. RALSTON:

For a return showing the pay sheets, vouchers and particulars of the moneys expended in connection with the repairs on Long wharf, Wedgeport, Nova Scota, under the Unemployment and Farm Relief Act of 1931.

ANNUAL TRAINING COSTS, 1931

Mr. RALSTON:

For a return showing the amount spent in each military district for the annual training in the fiscal year ending March 31, 1932.

CARLYLE, SASK., MAIL CONTRACT

Mr. McKENZIE (Assiniboia):

For a copy of all correspondence exchanged between the Post Office Department or any official thereof, and any person or persons between August, 1930, and September, 1931, relative to the mail contract for transfer of the mail between the Canadian National Railways and Canadian Pacific Railway depots at Carlyle, Saskatchewan.

QUEBEC, UNEMPLOYMENT RELIEF

Mr. LAFLECHE:

For a copy of all correspondence and resolutions in possession of the Labour department, forwarded by the Quebec government and municipalities, requesting delay in carrying out public works in connection with the unemployment relief.

GEO. HUDON

Mr. CASGRAIN:

For a copy of all correspondence, letters, documents, reports, evidence and inquiries in connection with certain complaints made against Geo. Hudon, an employee of customs and excise at Chambord, Lake St. John, during the years 1930 and 1931.

GIRONDE, QUE., POSTMASTERSHIP

Mr. POULIOT:

For a copy of all correspondence, evidence, reports, inquiries and other documents in connection with the dismissal of Mr. Johnny April, as postmaster at Gironde, county of Temiscouata, and the appointment of his successor.

MONTAGNE RONDE, QUE., POSTMASTERSHIP

Mr. POULIOT:

For a copy of all correspondence, evidence, inquiries, reports and other documents in connection with the dismissal of Mr. David Lebel, as postmaster of Montagne Ronde, Quebec, and the appointment of his successor.

LA RICHARDIERE, QUE., POSTMASTERSHIP

Mr. POULIOT:

For a copy of all correspondence, evidence, inquiries, reports, petitions and other documents in connection with the dismissal of Joseph Michaud, as postmaster of La Richardierre, Quebec, and the appointment of his successor.

VOCATIONAL EDUCATION ACT, 1931

Mr. HEENAN:

For a copy of all correspondence and other documents in connection with the decision of the government to postpone the operation of the Vocational Education Act, 1931.

AUGUSTE TÉTREAULT, DISMISSAL

Mr. RHEAUME:

For a copy of all correspondence, reports and other documents in connection with the dismissal of Mr. Auguste Tétrault, postmaster at Henryville, county of Iberville. Also for a copy of all correspondence, reports and other documents in connection with an inquiry held in 1931 relating to charges lodged against said Auguste Tétrault, including the evidence of all witnesses heard in said inquiry and the report made by the commissioner.

MOTIONS FOR PAPERS

SAPPER HARRY BROWN

Mr. SPENCER (for Mr. Garland, Bow River):

For a copy of all correspondence, documents, medical reports and findings in respect of Sapper Harry Brown, Reg. No. 2503424—pension No. 114467.

Mr. BENNETT: Mr. Speaker, it has not been customary to bring down documents with respect to individuals in connection with pension matters, and I submit that this order should not pass. There are obvious reasons why correspondence in connection with individual cases should not be laid before the house. The pensions tribunal is always ready and willing to give members of parliament any information that may be thought desirable, but to bring down such particulars as are asked for here has not been customary heretofore. I ask that the member content himself with having made the inquiry and let the motion drop.

Mr. SPEAKER: Is it the pleasure of the hon. member for Bow River (Mr. Garland) to allow the resolution to stand?

Mr. SPENCER: The hon. member for Bow River is out of the house, Mr. Speaker. I would ask that the motion stand for the time being.

Mr. SPEAKER: In the absence of the member for Bow River, No. 14 will stand.

[Mr. Pouliot.]

WAR PENSIONS, 1931-32—NORTH BATTLEFORD

Mr. McINTOSH:

For a return showing all European war pensions paid by the Department of Pensions and National Health to veterans or their dependents in the North Battleford federal constituency during the fiscal year 1931-32, showing: (a) the names and addresses in alphabetical order of those receiving said pensions; (b) the amount of the pension; (c) qualification therefor; (d) date of commencement of pension; (e) classification of pension, that is whether the pension was given for services in the naval, militia or air forces of His Majesty's government in Canada or any other self-governing community of the British commonwealth of nations.

Mr. MacLAREN: I would ask, Mr. Speaker, that this motion be dropped. It is not customary for the department to table information such as that asked for; it is not considered to be in the public interest.

Mr. McINTOSH: I thought it was considered in the interest of the public or I would not have asked for it. If that is the only answer the minister has I will have to report it to my riding.

Some hon. MEMBERS: Oh, oh.

Mr. McINTOSH: We will see just what advantage you can get out of it.

Mr. MacLAREN: All other requests of the same character have not been complied with; that is the general practice.

Mr. SPEAKER: Is the hon. member willing to drop the resolution?

Mr. McINTOSH: I am not ready to drop the resolution unless I can get the information.

Mr. BENNETT: I think the hon. gentleman should be aware that there is no constituency list maintained. To secure the information would necessitate going over the whole list of pensioners.

Mr. McINTOSH: I might state to the Prime Minister that when I asked for the post office addresses of each man interested I figured that the department could give me the information for the constituency as they have the post office addresses to which they send the pension cheques every month. I cannot see why the information cannot be given.

Mr. STEVENS: It would take a year or two to get it.

Mr. SPEAKER: Shall the resolution be dropped?

Mr. McINTOSH: Mr. Speaker, I am going to try to get the information from another source. If I cannot get it I will come back to this house again.

Some hon. MEMBERS: Order.

Mr. SPEAKER: Do I understand the hon. gentleman is not dropping the resolution?

Mr. McINTOSH: If you insist, Mr. Speaker, I guess I will have to.

Mr. STEVENS: That is very graciously done.

Mr. MacLAREN: If the hon. member will call at the department the officials will be only too willing to assist him in any way they can, but it is not customary to table such information as he asks for.

Mr. McINTOSH: That is a different answer from that which the minister gave at first, and I thank him for his statement.

Mr. COTNAM: Publish it in your metropolitan paper.

Mr. McINTOSH: Just keep the change. You go back and report to your own riding; never mind mine.

Mr. SPEAKER: Order.

Mr. McINTOSH: I have a statement to make.

Mr. SPEAKER: Order. The motion is not a subject of debate.

Mr. McINTOSH: I am not debating it.

Mr. SPEAKER: The motion is dropped, and the matter is not debatable.

MARITIME FISHERIES, QUEBEC

Mr. P. F. CASGRAIN (Charlevoix-Saguenay) moved:

That, in the opinion of this house, it is desirable that the Dominion government should cooperate to a greater extent with the provincial government in order to assist the maritime fisheries in the province of Quebec.

He said: I am bringing this motion to the attention of the house, Mr. Speaker, because a similar motion was adopted by the legislature of Quebec at the instance of the hon. member who represents the county of Charlevoix-Saguenay, Mr. Rochette, in the local house, seconded by his colleague for Gaspé, Mr. Chouinard.

It is not my intention to relate the history of the fishing industry in the province of Quebec. Suffice it to say that the history of the new world and of Quebec is intimately connected with the fisheries of the Atlantic seaboard, part of which is in the province of Quebec. Who does not remember reading in the history of Canada that in the early days of its settlement our fishermen from Brittany and the Basque country used to come and fish in the waters of the gulf of St. Lawrence, in the river itself?

In the early days of New France, and after the conquest, our fisheries were subjected to all sorts of troubles. Even after confederation several cases were taken as far as the privy council to determine the respective jurisdictions of the federal and provincial governments. The last judgment rendered in 1920 declared the administration and control of the fisheries of the interior to be in the provincial government, but that jurisdiction over the fisheries in salt water rested with the federal authorities, subject to the qualification that the provincial jurisdiction was supreme in so far as the soil of the province was concerned. Paragraph number two of the order in council dated February 13, 1922, which gave the administration of the fisheries to the province of Quebec, reads:

That as under the privy council decision of November 30, 1920, the province has the exclusive power to grant the right to fix engines to the soil, where the soil is vested in the crown in the right of the province, so far as such engines and the affixing of them do not interfere with the right of the public to fish or prevent the regulation of the right of fishing by private persons without the aid of such engines.

After this judgment of the privy council had been rendered, several orders in council were passed by both the federal and provincial governments vesting in the province of Quebec the administration of the fisheries in salt waters within the limits of the province. Since the provincial government has had control of the administration of the fisheries within the limits of the province they have made marvellous progress. A department called the Service des Pêcheries Maritimes, with Mr. Gibault, an expert in fisheries, at its head, was created, which department is now presided over by the Hon. Mr. Laferté. Since that time an amount has been included in the annual estimates of his department to help the development of the fishing industry. The present government has rendered more assistance to this industry than any previous government. I think I am safe in saying that approximately $300,000 is spent annually to develop the fisheries within the limits of the province.

The provincial government has given assistance to the fishermen by the distribution of guns and ammunition with which to destroy the porpoises, which have caused great trouble to the fishermen during the last few years. A grant of $4 per keel foot is given towards the

construction of new schooners, and also a subsidy of twenty-five per cent of the total cost of equipping such vessels, up to the sum of $500. These subsidies have been of great assistance to the fishermen in remodelling their fishing apparatus and tackle, as well as providing work during the slack seasons. Apart from this, the provincial government has carried on public works and undertakings on the north shore of the St. Lawrence river, in the county which I represent, to provide assistance for destitute fishermen. This has been especially the case during the past few years, during which time poor fishing conditions have prevailed on the north shore. It has been said that the porpoises are the great cause of trouble and annoyance to the fishermen and might be considered as one of the reasons for the poor conditions which have prevailed on the north shore, but I do not think that is the case. The problem which faces the fishermen is that of selling their fish on the domestic and foreign markets. Previously, fish could be dried or salted, but to-day the public require fresh fish, and this product controls the market. The fisheries of the province will meet with success and come into their own only when their efforts are directed towards the production of fresh fish.

At the present time there are between four and five thousand vessels engaged in fishing and employing between ten and twelve thousand people. In 1930 the value of the production was $2,502,998, the salt water production being valued at $1,976,798 and the production from interior waters, $526,200. This question is of vital importance to the county of Charlevoix-Saguenay, which I have the honour to represent, because a large portion of the people living on the north shore of the river derive their livelihood from the fisheries. This is true also of a large part of the population of the counties of Gaspe and Bonaventure. Deep water fishing is to be found along the north shore and I remember a few years ago when buyers from Nova Scotia, such as the hon. member for Antigonish-Guysboro (Mr. Duff), the former member for Lunenburg, and some of his friends used to purchase fish from our people.

Mr. DUFF: We do yet.

Mr. CASGRAIN. They do yet.

No industry, however great it may be, can expand unless its affairs receive wise administration and a methodical program of expansion is carried on. The last year the federal government had the administration of the fisheries it spent in the province of Quebec about $88,000. At that time the maritime provinces received about one million dollars and the province of British Columbia, approximately $400,000. To-day the maritime provinces and British Columbia receive equal assistance while the province of Quebec has not received any subsidy since the year 1922. The federal government derives its revenues from all the provinces and, to my mind, when distributing subsidies it should give to each province a share proportionate to its population and to the need for the development of the fishing industry.

If my information is correct, the federal government receives about twenty-five per cent of its revenue from provinces from the province of Quebec. The average budget of the Department of Fisheries amounts to about $2,000,000 and, based on revenue received, Quebec should receive about $500,000. In other words, the Dominion government should spend half a million dollars in the development of the fisheries in Quebec, As I said a moment ago, the maritime provinces receive about $1,000,000 a year, and it would appear that they are receiving our share. Our province is the natural outlet for the products of the fisheries of the east, and yet the share of assistance to which we are entitled goes to help the maritimes to shut out our fishermen from their own markets.

No doubt the objection will be raised that as Quebec has control over its own fisheries it should look after them. Quebec controls its fisheries in the same manner as it controls its agriculture, mines and natural resources, and the federal government makes a contribution by way of subsidies to the development of agriculture and mining within the province. The federal government maintains in Quebec sixty-four demonstration farms and has a remount depot at St. Joachim. The government cooperates with the provincial government in the raising of sheep and hogs, and cooperates in the providing of assistance along other lines. The federal government also conducts scientific research in bacteriology and mining and has financed expeditions under the control of the Department of the Interior. All this has been done although the province controls its own natural resources. The federal government is seeking markets outside of Canada for our wheat. Why should the same assistance not be given to the fishing industry in my province? Instead of helping the fishing industry, the federal government last year imposed a duty on goods coming from Italy, with the result that the Italian government through Mussolini has imposed a duty of 15 per cent on fish coming from Canada. This affects in particular dried cod for which Italy offered a profitable market to the fishermen of Quebec.

Instead of aiding the fishing industry which is one of the largest in Quebec, the government, by their tariff changes of last year, have injured it.

Mr. BENNETT: How?

Mr. CASGRAIN: On account of the imposition by the federal government of those duties that were placed against Italy, the Italian government imposed a duty of 15 per cent against dried cod for which, prior to that time, the fishermen of Quebec had a good market in Italy and also in Germany. I have not Germany particularly in mind now. I know the outlet for cod was more especially in Italy.

Mr. BENNETT: There are other countries in the same position.

Mr. CASGRAIN: That may be so, but this action on the part of the federal government has been detrimental to my province and particularly to the marketing of our cod.

There is in Ottawa a biological service with stations at St. Andrews and Halifax, but we have nothing of that kind in Quebec. This branch of the Department of Fisheries conducts scientific research work and has technical men carrying on investigations and practical tests. I am informed that thirty-five investigations were made in the maritime provinces through this branch of the fisheries service in Ottawa and am advised that no similar research work has been carried on in Quebec. Investigations of this character might have been carried on along the north shore of the St. Lawrence in regard to halibut, scallops and lobsters, which I am told also abound in that district. Last July, due to the efforts of Mr. Copley Amory, a resident of the United States, a gentleman who has large interests on the north shore of the St. Lawrence river, a scientific convention was held at a place below the seven islands, where this gentleman has an extensive establishment. Gentlemen were invited there from all parts of the world including Denmark and Norway, and I understand representatives from the provincial government also attended. I am told the Deputy Minister of Fisheries was invited to be present, but I do not know whether the federal government gave any assistance in connection with this convention in order to help the people who are really making an effort to discover a solution of our problems and to develop the fisheries. I have not before me the report of the work of that convention.

There is also in operation under control of the Department of Fisheries, for the benefit of the maritimes and British Columbia, a fishery intelligence service furnishing information to fishermen as to water temperatures and movements of fish, but in Quebec we have not had the benefit of such a service. There is also in operation under the control of the Department of Fisheries, for the benefit of the maritime provinces, a fish collection service, a service which has often placed the purchaser in contact with the fisherman. We have never had in Quebec the benefit of such a service. The best service which fishermen of Quebec have had in order to help them to market their fish was through the efforts of the provincial government in assisting in the establishment of a special department through La Société Cooperative Fedéré which has aided farmers and fishermen in marketing their products.

In the past, fish, salted, dried and pickled was accepted in the markets of the world; to-day things have changed and there is a much greater demand for fresh fish, the sale of which is more remunerative. Our fishermen of the north shore of the St. Lawrence, are however, not able to adopt these new methods in order to compete with other people on the markets of the world for fresh fish, because they have no money to build, equip and maintain the modern refrigerating plants necessary to preserve their fish and bait. Being far away from the large centres and being served only once a week in summer by a steamboat service, the fishermen of the north shore are thus at a disadvantage with other fishermen. In the province of Quebec, 90 per cent of the fresh fish used is imported for the most part from the states of New England and from British Columbia. On account of the lack of refrigerating plants our fishermen are compelled to sell at a low price to the export trade 60 per cent of their production, the greater part of which is salted, dried or pickled fish. The only thing the federal government is doing is to supply the fishermen with plans and designs for the refrigerating plants; no subsidy or help of any kind has ever been given in that connection. The provincial government is considering the adoption of a system for establishing along the north shore of the St. Lawrence and other places where there are many fishermen, some of these refrigerating plants, but of course the cost of this would be very high and as they would not be able to obtain the help of the fishermen who are very poor, they require the assistance of the federal government.

Let me now quote a few paragraphs from the publication known as Les Ressources Naturelles de Quebec, 1924:

(Translation):

The gulf of St. Lawrence is still in its infancy as regards the development of its fisheries. There are vast stretches of coast and numerous "banks" which have never been fished, except by the antiquated hook-and-line methods. Yet these waters are one of the world's chief congregating places for the cod, while many other varieties, including halibut and the unrivalled Atlantic salmon, are also more or less numerous in certain localities, and sea trout swarm in the brackish waters of the rivers where they meet the tide water.

Strange to say, most of the fish consumed in the province has been coming from the United States. Advertisements of fresh cod shipped direct from Portland, Maine, frequently appear in the Montreal papers. More remarkable still, fish from the Pacific coast is advertised and sold as far east as Toronto, Ottawa and Montreal, 3,000 miles or more from the waters where they are caught, while the salmon and cod and other fine varieties of fish at the very door of the province have been exported in a salted or dried condition to Europe, the West Indies and the United States. It would appear, therefore, that opportunity exists for enterprising fishermen to build up a considerable home market for their catch.

Our sea fisheries like many other industries are at the present time suffering through lack of proper markets. It is most essential that something be done to help them, because in aiding them we help the country at large and are building up a real Canadian industry which at all times in our history has been considered basic. Lest the government say that they are powerless as regards the sea fisheries of Quebec, on account of the fact that the administration of the fisheries was taken over by the provincial government, let me read from the order in council passed in 1922 when the federal government transferred the administration of the fisheries to the provincial government:

Mr. CASGRAIN (translation): The Minister recommends that the whole administration of the Department of Fisheries which is amenable to the Fisheries Act and regulations thereof should be transferred to the provincial authorities.

There is nothing in that order in council which prevents the federal government giving assistance to the provincial authorities. The administration of all the laws of the federal parliament formerly administered through the Department of Fisheries, is transferred to the provincial government of Quebec. As I said before, our agriculture and our mines are helped by the federal government, but we have not been able to obtain any assistance from this government for the fisheries in Quebec. The reason I have placed this resolution on the order paper is that there seems to be growing at the present time in Quebec a greater interest in what should be done in the way of developing the fishing industry. I have in my hand a pamphlet which is called Le Canada Français de Québec, February, 1932, and under the heading of Le Développement des Pêcheries de la Province de Québec, Professor Louis Bérubé has given many points which will be of interest to the house.

But as my time is rapidly passing I shall content myself with bringing this article to the attention of the government. The article entitled Le Développement des pêcheries de la province de Québec, is divided under four headings as follows: Stabilisation de l'industrie de la pêche; Stabilisation et amélioration des conditions de vie chez les pêcheurs; L'apport de la science au développement des pêcheries; L'apport de l'Etat au développement des pêcheries, and under the last heading this gentleman states:

(Translation):

"The carrying out of an exhaustive program of our maritime fishery development requires the cooperation of all and especially that of the government at Ottawa. Indeed, there are, as we shall later on discover, questions which are directly relevant of the jurisdiction and activities of the Dominion government and without the solution of which the activities of the provincial government are, so to speak, paralysed. There are, moreover, problems in which the cooperation of the two can but double the results to be obtained.

First, we shall insure the freedom of the seas, the protection of markets and the grading of products; in the second, scientific research and financial aid."

Further on he says:

The protection to be given to markets is very intimately linked with the tariff problem. The Dominion government, which, is solely in control, can therefore, alone, give the necessary protection to our local markets, by levying a duty on foreign products; again alone it can foster our export markets by special tariff treaties. We might mention, as an instance, the 15 per cent duty levied at present by Italy on our dry fish. The Dominion government by agreeing to a tariff reduction on other articles would perhaps succeed in overcoming this drawback.

Other articles and other suggestions have been brought to my attention since this resolution has been on the order paper. One is in the form of a memorandum which I have received from Mr. S. J. Flynn, secretary-treasurer of the county of Gaspe. In paragraph one of the memorandum, under the heading, Aide du Gouvernement fédéral, appears this suggestion:

(Translation):

Finally, the Dominion government should further assist our fishermen by improving our fishing harbours, building breakwater barriers,

dredging, etc., by establishing in all parts of the country meteorological stations to signal the approach of disastrous storms, help our fish markets by resorting to a protective tariff and the activities of its officials abroad or otherwise.

Further on he says:

We believe that a loyal agreement between the Dominion and provincial governments would place at our disposal a minimum of $300,000 per year, that is 50 per cent at least of the theoretical amount due and which could be used as follows:

1. Establish a fishing centre:—
(a) Oceanographic station—Biological.
Oceanographic station—Economical.

This Dominion station would be the only means at our disposal to establish a permanent link with the International Council for sea exploration, and of which Canada forms part as well as France and the United States (American section).

(b) Refrigerator for bait (Dominion Act, grant of 75 per cent).

(c) Freezing plant (Dominion Act, grant of 30 per cent).

(d) Service of fish collecting (Dominion service which is already in use in the other provinces).

2. Organize a more effective service of inspection (Dominion Act), This is requested by almost (95 per cent) the entire fishing industry of Canada;

3. Organize an effective supervision and protective service: observance of the treaties and laws. Assistance to navigation, protection of the various coasts of the province of Quebec, Labrador, Anticosti, Madeleine Islands, etc., etc.; which is done, at present, through Halifax. Our own protective service was abolished in 1922.

4. Organize a service of commercial and industrial intelligence for fishermen, fish dealers and heads of industries. (A service recommended since 1893 by F. X. Joncas). All the provinces, with the exception of Quebec, possess such a service.

5. Begin a reasonable improvement of the ports which carry on fishing on a small scale;

6. Organize a scientific, technical and administrative staff.

These gentlemen, as will be observed, are apparently very much concerned about the development of the fishing industry in the province of Quebec; they say that the best development of that industry cannot be obtained for the reasons mentioned unless the federal government give further assistance and cooperation to the provincial government. Since a similar debate took place last session in the local assembly at Quebec many delegations have interviewed the provincial government. There was a delegation on the 15th of March, 1932, from Gaspe which was received by Hon. Mr. Hector Laferté, Minister of Fisheries in the province of Quebec, and on the 17th of March a delegation from Gaspe made representations to the chamber of commerce.

March 15, 1932. "Delegation from the Gaspé Peninsula to the Legislature. The hon. Mr. Hector Laferté, Minister of Colonization, Fish and Game receives an important delegation from the Gaspé Peninsula and the North Coast."

March 17, 1932. "The fishermen of the Gaspé Peninsula, and the fish dealers of Quebec wish to establish reciprocal markets. The former met the Chamber of Commerce. Both groups discussed the means to take so as to establish a Quebec market for the Gaspé products and vice versa."

Another reason which has prompted me to bring this resolution before the house is that I noticed in the newspapers a few months ago that other provinces which seem to have been well looked after by the government at all times have been seeking further assistance from this government. In the Montreal Star of January 27, 1932 I read this:

Fishermen Urge Government Aid

Officers of Maritime Body interview Hon. E. N. Rhodes

Ottawa, Jan. 27.—(C.P.)—Claiming that nothing has been done for the fishermen comparable to what the Dominion government has done for agriculture, and asking for a comprehensive and intensive effort to place the Canadian fishing industry on a profitable and business-like basis, delegates from the United Maritime Fishermen presented an appeal yesterday to Hon. E. N. Rhodes, Minister of Fisheries.

Alfred Hanlon, Canso, N.S., president, and Bruce Burke, Drum Head, N.S., vice-president, laid before the Minister a resolution drawn up at a meeting of the federation in Halifax last Friday. Mr. Rhodes gave the brief considerable study, but advised the delegation that the department was doing everything possible under present economic conditions, to grapple with the unsatisfactory situation existing in this important industry. He will discuss the matter with the maritime officials again to-day, but no definite decision as to what extent the government will be able to act, will be available for some time.

The United Maritime Fishermen asked the government to place research men in the field to study marketing agents in foreign countries to represent the organized fishermen, broadcast regularly the trend of prices and market conditions, and to carry on with a competent staff of field men, educational work in production and selling.

So in case the government does anything for the people of these other provinces I should like the same consideration to be extended at the same time to the people that I have the honour to represent in this house as well as to the fishermen of Bonaventure and Gaspe counties and of the province of Quebec in general.

Another article which struck me was headed, "Fishing Industry facing Big Crisis—Maritime M. P. suggests solution in Canadian Club address." The article goes on to quote my

genial friend from Queens-Lunenburg (Mr. Ernst), who is keenly interested in the development of the fishing industry in the maritime provinces.

Mr. ERNST: And in Quebec too.

Mr. CASGRAIN: And in Quebec too. We are on the same ground there. My hon. friend is quoted in this despatch as follows:

> Another remedy for the fishing industry was to be found in trade treaties, and the member for the Queens-Lunenburg constituency of Nova Scotia added that other remedies had been suggested to the government which he did not feel at liberty to discuss but he did believe that with encouragement the industry was going to come through.

If other remedies have been suggested to the government which my hon. friend from Queens-Lunenburg did not feel at liberty to discuss, when those remedies are brought forward I wish to see them applied for the benefit of the people of the other provinces and the country at large. The people of the province I represent should be given the same benefit and advantage as the people of other provinces. My hon. friend from Queens-Lunenburg went on to say:

> The speaker realized, because of the geographical conditions of the Dominion, that there were difficulties in the way of developing the fresh fish industry. Prime cod was being sold at a cent and a half a pound at the wharf and the fisherman could not understand the reason for the spread between the wholesale and retail prices. The fresh fish industry had been hard hit by the United States tariffs, which had practically shut out its chief market, and the extension of the Canadian market for such a perishable product presented many difficulties. Experiments were being tried with chemical ice which when it dissolved left no trace and no water, and other methods were also being tried to increase the per capita consumption in Canada, which would increase the livelihood of the men.

All these are reasons, Mr. Speaker, which have led me to believe that I would be derelict in my duty as a member of this house if I did not bring these facts to the attention of parliament and the government. In order to remedy the present existing conditions in the province of Quebec I think there should be a conference between the Dominion government and the provincial government at which the foundation of an entente could be laid defining the scope or field of operation of the province and of the dominion in order that out of such a conference proper cooperation between the two governments might be obtained. It is with this intention, sir, that I have brought this resolution before the house and that I submit it humbly for the consideration of the government. I do not want to play any politics in this matter. In presenting this resolution I am not seeking for myself or the party to which I belong any political advantage or benefit, and I trust that that will be the attitude of all hon. gentlemen on this question relating to an industry which is one of the largest and oldest in the province of Quebec and in the eastern part of Canada, and which, like other industries, has been suffering from lack of markets and possibly from lack of subsidies which may be necessary to develop it in the way it should be developed. True, the provincial government is doing its best to develop that industry, but it has not been able, within the last few years of its administration of fisheries, to develop scientific and technical men, and also to carry on various establishments such as those maintained here in Ottawa in the federal Department of Fisheries, which have been in existence for a good many years, and are about the best on the continent of America.

I think Mr. Speaker, that the resolution should carry because I am not asking anything unreasonable. My request is for further assistance and cooperation from this government. We have been asked to develop certain programs whereby we might help the government through its present financial difficulties. Here is a practical suggestion in which cooperation should not be lacking, should not be refused and should be forthcoming from this government and from my genial friend the present Minister of Finance (Mr. Rhodes) who was at one time Minister of Fisheries, and who is thoroughly familiar with the matter now before us.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, in the ordinary course of events this resolution would have been spoken to by the Acting Minister of Fisheries (Mr. Duranleau) who, I regret to say, is not present this afternoon. Consequently in his absence I feel it incumbent upon me to say a few words in reply. I should have preferred to have had the opportunity of referring to data and materials which I would have had before me, had I known I would be called upon to say a word or two in this connection.

I do not think I can take any marked exception to the resolution, nor to the tenor of the remarks of the hon. member who sponsors it. I wish however in the course of my remarks to take exception to one or two of the statements he has made. The resolution now before us reads:

> That, in the opinion of this house, it is desirable that the Dominion government should cooperate to a greater extent with the provincial government in order to assist the maritime fisheries in the province of Quebec.

I should have preferred the wording of the resolution to be that the government should cooperate to the "greatest possible extent," because the wording as it now appears in the resolution might indicate that there had been some lack of cooperation by the federal government in its association with the province of Quebec. In case anyone should be inclined so to interpret this resolution I wish to say at once that such an interpretation cannot properly be held. Especially is my statement true when we bear in mind that at one time the fisheries of the province of Quebec were under the full direction and control of the Department of Fisheries at Ottawa.

Mr. DUFF: And they should have stayed there, too.

Mr. RHODES: And my hon. friend from Antigonish-Guysborough (Mr. Duff) says they should have remained there.

Mr. CASGRAIN: I think so, too.

Mr. RHODES: I concur entirely with my hon. friends opposite in that point of view, and I do not for one moment wish to be understood as finding any fault, much less of attempting to impart any political flavour to this discussion when I say that the reason they are not still under the control of the federal government is that in the judgment of the then Minister of Fisheries, the present hon. member for Quebec East (Mr. Lapointe), Quebec had taken itself out of the control of the federal Department of Fisheries and set up its own house in the matter of fisheries control. My hon. friend who is sponsoring this resolution is familiar with that fact. So when he says that no industry can expand unless wise administration is given to it, in so far as that expression of opinion on his part is applicable to the lack of improvement in the fisheries of the province of Quebec, I must say the responsibility rests entirely with the Department of Fisheries in that province.

Coming back to the terms of the resolution, or that phase of it which would indicate, at least by inference, that there had not been complete cooperation with the dominion Department of Fisheries, let me say to my hon. friend that in my experience in the federal department I know of no instance where there was not complete and, I may say, harmonious and pleasant cooperation with the Department of Fisheries of the province of Quebec. I know of no instance where they sought our assistance and we did not respond. As a matter of fact, my mind goes back to one or two particular instances last year which would bear out my statement. At that time there came up for consideration with respect to salmon fisheries common to Quebec and the province of New Brunswick, not only the question of season, but the method and the use of the implements incidental to fishing. That is to say, there were considered the size of nets to be used, the manner in which they were to be placed in the water, the length of leaders and all such things. In the city of Ottawa there was held a conference representative of all phases of the fisheries industry. One of the first things we did was to communicate with our friends in the Department of Fisheries of the province of Quebec and ask them to send a representative to the conference. With that request they complied, and we were favoured throughout the whole of the meetings with the presence of Mr. Gibault, representing the Department of Fisheries of the province of Quebec. Decisions arrived at at that time were unanimous, and made possible by complete cooperation between the Department of Fisheries in the province of Quebec and the federal department here in Ottawa.

My hon. friend has referred to that very unique conference held at Matameck on the north shore of the St. Lawrence river, which was made possible by a gentleman to whom I think a word of praise might at this time properly be given. He is a distinguished citizen of the United States and has a summer residence near Matameck. Having lived there a number of years during the summer seasons he became very much attached to that area and its people. It was his desire to assist, amongst other things, the fishing industry as well as the poor people in the vicinity, and arising from that desire he arranged the conference which lasted a week or ten days, and which cost him a large sum of money because he provided transportation and all facilities to the representatives present. He put his services, time and money to the use of the people of Canada, solely with the idea of assisting the people of the province of Quebec.

One of his first acts was to communicate with the department at Ottawa, asking that the department be represented. His communication arrived at a time when the house was in session and for that reason the Deputy Minister of Fisheries could not attend. Arrangements were made, however, for the attendance of Doctor Huntsman, head of the biological board. During the whole of the conference he attended and represented the federal Department of Fisheries. There was also present Doctor Camsell, deputy minister of the federal Department of Mines.

I have mentioned these facts in passing to indicate to the hon. member for Charlevoix-Saguenay (Mr. Casgrain) that there has been complete cooperation between the federal and provincial departments. My hon. friend has referred to certain subsidies which he says have been given to the people of the maritime provinces and the people of British Columbia in which the province of Quebec has not participated. I know of none. The only direct subsidy in the fishing industry is the sum of $160,000 voted year after year which arises, as my hon. friend knows, out of the Halifax award.

Mr. NEILL: No, no.

Mr. RHODES: It does not come out of the funds of the treasury of Canada—

Mr. NEILL: It is taken out of the consolidated fund. There is no reference in the act at all to the Halifax award.

Mr. RHODES: My hon. friend may differ from me, but I adhere to my statement as originally given, with all due deference to my hon. friend from Comox-Alberni (Mr. Neill).

Mr. DUFF: The United States paid $4,500,000 to Canada and $1,000,000 to Newfoundland for certain privileges.

Mr. RHODES: Yes, and it is the yield upon that sum, at a fair interest rate, that has been divided among the fishermen.

Mr. CASGRAIN: Were there any subsidies for the construction of refrigeration plants?

Mr. RHODES: As my hon. friend knows, I am speaking now without reference to the statute and with no notes before me, but I think he will find upon inquiry that the provisions of that act are applicable to the fishing industry throughout Canada. With reference to the cold storage act, if the fishermen of the province of Quebec wish to avail themselves of the provisions of that statute, it is just as open to them to do so as it is open to the fishermen of any other part of Canada.

My hon. friend has stated that the administration of the fisheries by the dominion costs something like $2,000,000 a year. As a matter of fact, there have been some reductions in the estimates of the Department of Fisheries. Speaking from memory, I think the reduction last year was about $345,000, and this year there has been another reduction of about $80,000, so the total expenditure is really less than $2,000,000. But my hon. friend would leave the impression that all this money was spent in other parts of Canada and not in Quebec. In the first place let me say that even if this were so Quebec has only itself to blame. They cannot come here now and take the position that, having eaten their cake, they still want it. They deliberately took themselves out from under the direction and control of the Dominion Department of Fisheries, but in any case it is not so that this entire amount is spent in portions of Canada other than Quebec. It is quite competent for the Quebec Department of Fisheries, for the fishing industry of that province or for individual fishermen there to avail themselves of the services of the federal department. In my own experience I have known many occasions when that has been done.

My hon. friend has referred to the fact that there is a biological station at St. Andrews and another on the Pacific coast, while there is none in the province of Quebec. It does not follow that the work of a biological station is confined to the locality in which the station is located; as a matter of fact, if proper work is done in the field of biology in connection with our fisheries, it can be done as well at St. Andrews as it could be done at any other place on the Atlantic seaboard. The point I wish to make, however, is that the statistics obtained, the results of experiments carried out and all the knowledge gleaned through the expenditure of that money and the work of the scientists, are made available to the people of the province of Quebec just as they are made available to the people of the other provinces. The same thing is true in connection with the engineering branch of the Department of Fisheries. Plans and specifications with respect to the construction of cold storage plants, ships and all the rest of it, together with all the data that has been obtained, are available to the fishermen of all parts of the country, without regard to provinces.

My hon. friend has stated that the federal department provided a fish collection service in the maritime provinces while it did not provide that service in Quebec. I could very well say that Quebec is running its own fisheries and that this matter should be attended to by the government of that province, but I wish to point out to my hon. friend that there was a limited extension of this service to cover a portion of the Nova Scotia coast which did not possess the facilities found in practically all other coast waters of the maritime provinces, Quebec and British Columbia. These facilities consist in the main of local steamship services, and if my hon. friend would take the trouble to look at the

estimates he would find that each year we vote hundreds of thousands of dollars for subsidies and subventions to steamships and packets both on the Atlantic and Pacific coasts in order to provide these services, and the provision of these services has brought about improved transportation facilities so far as the fisheries in Quebec are concerned.

Arising out of the interruption of my hon. friend from Antigonish-Guysborough (Mr. Duff)—to which I do not take exception—if I might say so with all deference, without wishing to find any fault and without canvassing the ground that has been covered already, I would suggest that his attention might be far better directed towards the return to federal control of the fisheries of the province of Quebec.

Mr. DUFF: Especially now that we have a minister from Quebec.

Mr. RHODES: Quite so. I believe a unified direction of our fisheries is greatly to be desired. If we tried to direct our fisheries by provincial control, each province differing from the other in method, with resultant duplication of service, we would have a tremendously expensive and cumbersome machine, and we would get nowhere in the way of national direction.

Sir EUGENE FISET: I am afraid the answer from Quebec will be "What we have we hold."

Mr. RHODES: Quite so, but that is purely a matter for our friends in Quebec. My hon. friend from Antigonish-Guysborough has been very frank in his expression of opinion, and I wish to be equally frank and say that I entirely concur in what he has said. Let me repeat that I know of no case where we have refused to cooperate or to give every assistance within our power and our competence. Just here let me say this: During the time I had the honour of heading the Department of Fisheries it was a matter of great pleasure to me to have some contacts with the fisheries department of the province of Quebec. In every respect our relations were harmonious, cordial, and I hope mutually helpful. As a matter of fact, one of the last acts I performed while head of that department was to conclude an arrangement to provide fish demonstrations, the idea being to enlarge the market for fish by teaching the housewives better methods of preparing them. We employed the services of a lady who is known throughout the continent of North America as one of the foremost exponents of the art of fish cookery, and I wrote the Minister of Fisheries of Quebec and said I should like him to cooperate with us in that movement. I received a very nice answer; he said he would be very happy to join with us, and to-day the province of Quebec is paying the salary of a lady who was associated with Mrs. Spencer, who is able to demonstrate to the people of that province in the French language. Naturally we started that campaign in Ottawa, but the very next place where the demonstrations were carried on was the city of Montreal. They are being given there to-day, as they have been for some weeks, and I believe this action has brought about good results so far as the industry and the province are concerned. I merely mention that as a concrete example of how we have endeavoured in every possible way to cooperate with the provincial government.

Bearing in mind what I have said, so far as I am concerned I have no objection to this resolution, though as I said in the first instance it might have asked that the government should cooperate to the greatest possible extent, instead of saying that we should cooperate to a greater extent.

Hon. CHARLES MARCIL (Bonaventure): I wish, Mr. Speaker, to congratulate the hon. member for Charlevoix-Saguenay (Mr. Casgrain) on bringing this matter before the house. He has done so, as the Minister of Finance (Mr. Rhodes) has said, in a very lucid manner and has furnished us with much valuable information. This dual control of our fisheries by the dominion and the province is a very, very old question. When I had the honour in 1897 to be the candidate of the Liberal party in the county of Gaspé, the then premier of the province scored heavily by announcing during the campaign the decision of the privy council to the effect that the fisheries were within the provincial jurisdiction, and that thereafter the province would control them. That practice continued until control reverted to the dominion. In 1922 Quebec again secured jurisdiction over the fisheries. No matter what the position is at the present time, it is not satisfactory. When I had the honour of being elected for the county of Bonaventure thirty years ago, all the coast was lined with fishermen's huts. We had important fisheries at Port Daniel, Gascons, Paspebiac, Bonaventure, and Caplan. The men of these districts earned their livelihood in the fishing industry. For some reason or other the industry has declined and to-day a very small number of men earn their living in that way.

In 1922, the provincial authorities relieved the dominion to a great extent by taking over control of the fisheries. Our fisheries are one of our great natural resources and anything that will develop them in Quebec will be for the benefit of Canada generally. Whatever may be the reason, it is an unfortunate fact that our fisheries in Chaleur bay are not being developed. We have provincial control in certain things and federal control in others. The Minister of Finance has referred to numerous lines of steamers subsidized for the benefit of the maritime provinces to assist in the development of these fisheries. So far as my constituents are concerned we used to have a line between Gaspé and Dalhousie, New Brunswick, but that line was discontinued years ago. The people in my constituency are complaining of the rates they have to pay on the Canadian National railways to gain access to the large markets of Quebec and Montreal. I am not prepared to discuss this phase of the question, having only this morning received a copy of the report of the interview that the representatives of the fishermen in the Gaspé district had with the provincial Minister of Fisheries, but from glancing through the long report I conclude that things are not as they should be. The Minister of Finance, who is probably the best-informed man in this house on the question of our fisheries, should make a point of seeing that something be done, because the condition of these fisheries is not what it should be.

I had an opportunity last week of introducing to the Acting Minister of Fisheries (Mr. Duranleau) a deputation from New Brunswick and Quebec with regard to salmon-fishing in the Chaleur bay district. There is long-standing dissent between the anglers and the fishermen of our Gaspé salmon. The dominion regulations requiring the raising of nets from Sunday till Monday morning is a great obstacle to the net fishermen. While the Deputy Minister of Fisheries, who is an authority on these matters, contends that it is in the interests of the salmon fishermen themselves that they should get out into the centre of the river, they take objection on the ground that they lose the best runs of the season. Be that as it may, the department has again turned down the request made by the fishermen, and I think a meeting should be arranged as soon as possible between the dominion and the provincial authorities to see if some better understanding cannot be brought about.

The government of Quebec last week took steps towards the establishing of some freezing stations along the coast for the use of the fishermen. At the present time as the member for Charlevoix-Saguenay stated, the fishermen have to salt their fish, thus reducing its value by fifty per cent, and at the same time they find their markets in Brazil, the West Indies and elsewhere have shrunken to a very serious extent. In a word, our fishermen find themselves, in common with our other producers, in the unhappy position of a lack of markets. We have not the markets to-day to be prosperous as we had under the old régime of moderate tariffs. But whatever be the cause of the decline of our fisheries, both the dominion and the provinces are interested in their development and in finding new markets. In Quebec the provincial authorities have control of the fishing regulations at the present time, but when it comes to securing access to markets, cheap transportation and sale abroad we come into the federal domain. Means should be found of preserving the fish, giving cheap transportation, and securing access to foreign markets.

I hope this resolution will meet with the approval of the whole house. I have heard the question discussed many times, but the main trouble seems to be the conflict between provincial and federal control. I agree to some extent with the Minister of Finance that it is highly important that there should be uniform control of all our fisheries. In Montreal, where I have resided all my life, the fish that we eat during the winter comes largely from Maine and the maritime provinces. There is no reason why some understanding should not be arrived at by which our fishermen would be given a better market and increased remuneration for their work. Canada should be one of the first countries in the world as far as the fishing industry is concerned. We have some of the finest fish to be found anywhere. In order that we may get the fullest advantage from this great natural resource it is necessary that the difficulties between the province and the dominion should be arranged on a basis satisfactory to all concerned. I am glad the government has in charge of this department a man who is thoroughly conversant with the subject. The time has come when this question should be considered in earnest with a view to seeing whether we cannot do something to assist our fishermen who are in dire need.

A new factor must be considered in dealing with this question. American fishermen come to the waters of Quebec, Nova Scotia and New Brunswick for sport fishing, and some consideration must be given to these men. They spend a tremendous amount of

money in the pursuit of their sport, and I have been told that it costs $200 for every salmon taken out of the Restigouche river. They observe the law to the fullest extent, they register every fish taken, and they give every assistance possible. The Minister of Pensions and National Health (Mr. MacLaren) does me the honour of fishing every year in my constituency. I trust he will be spared for many years to come to continue to enjoy this sport. He is a friend of the fishermen. Sir Douglas Hazen, a very prominent man in the maritime provinces, who was minister of marine and fisheries in the old days, is a frequent visitor to my constituency. On behalf of these men, I urge the dominion government not to turn a deaf ear to this question.

I can remember in the old days seeing the fishermen use dynamite and salt their catch in barrels, employing somewhat the same process as was used in New Brunswick and Nova Scotia with the oyster. The oyster has practically disappeared from Canada, except in Prince Edward Island. The time has come when assistance should be given to the fisherman. His life is a hard one, he leaves early in the morning not knowing when he will return. He has to face all sorts of weather and at times his income is small when compared with his labour. We have dual control over agriculture and mining, we should have similar control over our fisheries. I urge the government through the Minister of Finance (Mr. Rhodes) and the Minister of Pensions and National Health to take up this question seriously and see if something cannot be done to improve the present condition of our fisheries.

Mr. W. G. ERNST (Queens-Lunenburg): Mr. Speaker, I rather welcome the opportunity which has been afforded by the resolution introduced by the hon. member for Charlevoix-Saguenay (Mr. Casgrain) for a general discussion of the fisheries, but before I proceed to discuss fisheries generally I want to say a word or two with reference to the hon. member's resolution. He confines his resolution to the province of Quebec, and from his closing remarks I gather that one of the motives for his doing this was that other districts were seeking relief and he did not want that relief granted until it was granted to the province of Quebec. I happened to be present with a delegation which waited upon the government with respect to the salt fish industry, with which the hon. member is most particularly concerned, and while they asked aid for their industry, they never at any time asked aid only for the industry in Nova Scotia. They recognized frankly that any relief must be given equally to the four provinces which engage in this industry.

The hon. member stated that inasmuch as the province of Quebec pays some twenty-five per cent of the revenue of Canada, at least $500,000 should be paid to the province as aid in the development of its fisheries. The first answer to this was given by the hon. Minister of Finance (Mr. Rhodes) when he stated that the province of Quebec had chosen to administer its own fisheries since 1922, the authority for this being in an order in council which we can safely assume was passed at the solicitation of the province. I remind my hon. friend, but not in a partisan spirit, of the dictum laid down some few years ago by his own leader. The right hon. gentleman stated that he considered it to be a vicious principle that one taxing authority should raise revenue and give it to another taxing authority to spend without any control being held over such expenditures. I think that is a complete answer to any demand for a cash subsidy to be paid to the province of Quebec in aid of its fisheries.

I agree with the hon. member for Antigonish-Guysborough (Mr. Duff) that it would be in the best interests of the fisheries of the dominion as a whole if the fisheries of the province of Quebec were placed under federal control as are those of the three eastern provinces. When the Minister of Finance made that suggestion the hon. member for Rimouski (Sir Eugène Fiset) interjected the remark "What we have we hold." He might at least have completed the quotation by saying: "What we have not we're after."

Having given my reasons for not being able to support the resolution in the terms in which it appears, I want to say something about the problems which face the industry generally. The problems which face the Gaspé peninsula are the same as those confronting the fishermen along the whole coast of Nova Scotia, especially in my own constituency, which has the largest salt fishing fleet in the world. Before dealing with these problems, let me refer first to the causes thereof. The hon. member for Bonaventure (Mr. Marcil) and the hon. member for Charlevoix-Saguenay have suggested that in some measure tariffs are responsible for the present difficulties. If they mean by that the tariffs of the Dominion of Canada, then I cannot agree; if they mean the tariffs of other countries, I admit that to some extent that is true.

There are three primary reasons for the difficulties which now face the salt fishing industry of the world. First, there is a general world depression which must be faced when you have a product which must be sold in the export market. Second, and accentuating the first in a peculiar manner in so far as the fishing industry is concerned, there is the almost complete collapse of purchasing power in Brazil, one of the largest salt fish importing countries in the world. A similar collapse, perhaps not so great, has taken place in the purchasing power of Spain and Portugal. Third, there is the fact that nearly all the great salt fish producing countries in the world have increased their production. Take for instance, Norway, Iceland, Newfoundland and Great Britain; all of these countries are entering the markets of the world with increasing quantities of fish, and the result is that there are more fish than can be absorbed by the consumer. Practically the only markets left to us are those of the West Indies, Cuba and Porto Rico.

The fishermen in the Gaspé section of the coast have been shipping their product to Spain and Portugal and, to a smaller degree, to Italy, but these markets have been almost completely closed.

This fisherman produces a superior product and he has been accustomed to a superior price. To-day he has to take the same price as all the others are taking in the export markets of the world, a price that is far below the cost of production. Added to all the difficulties of the depression, come those of the exchange situation. As I said, practically the only markets which are left are Cuba, Porto Rico and the West Indian islands, and when we do business with those countries, all the exchange comes through New York. The exchange rate in regard to both the Canadian dollar and the pound sterling has been most uncertain, it fluctuates from day to day, and I think I may safely mention that the lowering in value of the pound sterling due to the action of Britain in going off the gold standard, which placed the pound at a lower value than the Canadian dollar, has given to the English exporter an advantage of from 20 to 25 per cent. I realize the difficulties of the exchange situation and I am not expressing anything but a personal view, but I am by no means anxious to see the Canadian dollar get back to par too quickly.

Mr COOTE: Par with what?

Mr. ERNST: With the United States dollar.

Mr. COOTE: Then the Canadian fishermen will get less.

[Mr. Ernst.]

Mr. ERNST: No. These are fluctuations which do not affect the Canadian dollar internally but do affect our ability to sell abroad. Some of these things will right themselves, and if we have any faith in the future we must feel that they are going to do so in the course of time. Broadly, we see the natural reaction in that some of the great exporting countries are curtailing the production this year, so that we look forward with some hope towards increased prices next year. For the present year, however, our difficulty is apparent and real.

Having said that about the condition of the industry in general, because the industry in Gaspé in connection with salt and pickled fish is similar to that in Lunenburg, I should like to say to the hon. member for Charlevoix-Saguenay that when he suggests that the remedy for his fishermen is that they handle fresh fish, he is speaking only a partial truth in the economic sense. Again I am voicing only a personal opinion. It seems to me that one of the most tragic blunders we made in the administration of the fisheries of this country was to endeavour to turn the individual fishermen scattered along thousands of miles of coast line into dealers in fresh fish. This cannot be done. Fresh fish is an extremely perishable product. It has to be taken quickly to the cold storage or else it deteriorates, and when it deteriorates it is no longer fresh. In Nova Scotia, by a system of collection boats, we have endeavoured to turn the entire coastline into the fresh fish industry, but this has proved altogether uneconomic and unsound and I believe it will prove equally so in the Gaspé peninsula. In my opinion, the remedy does not lie there; it lies in teaching our fishermen improved methods of conserving and curing. I am not satisfied that the salt fish, as we know it to-day, represents the ultimate in the production of cured fish at home by the individual fisherman. I am convinced research will show that much more can be done and that a much better quality of fresh and cured fish can be placed on the market by the individual fisherman working from his own fish house, than is being done at the present time, even in the Gaspé peninsula, where they have, as I have said, a superior type of salt fish.

Having said that and having tried to make it clear that the problems of the Gaspé peninsula are those of Nova Scotia, of Lunenburg county, let me say that I concur in the statement of the hon. member for Bonaventure (Mr. Marcil) that the fisherman to-day is in a really pitiable condition. I am talking now of the salt fisherman. Some of the fresh

fish industries are operating almost to capacity, but in those the fisherman receives only a pittance for that which he brings to port. But I pass over the fresh fish industry, because the two cannot be confused; each offers a different field for investigation and a different line for development. Further, with reference to the fresh fish industry in eastern Canada—and I am making no reference to British Columbia because I do not know anything about the fishing industry there—we sell a very substantial proportion of our catch in the home market where we are not subjected to the fluctuations of the export price and world conditions. The salt fish industry is entirely different.

Let me come now to my own constituency of Lunenburg. Some few years ago we had 120 vessels which operated out of that port, and at that time they were propelled mainly by sail. They carried crews of from twenty to twenty-five men. The method of fishing was that the men went two by two over the sides in dories and fished with lines or trawl lines, which are long lines baited at intervals. When they got their catch they took it back to the mother ship, where it was salted, and eventually when the season expired or the vessel became loaded, she would return to port. A hundred vessels at that time meant direct employment to between 2,000 and 3,000 men. In fact, it meant something more than that: it meant indirect employment to thousands more, because when the fish were brought back they had to be cured; that is, they were brought back green salted and had to be washed and dried in the sun. That gave work for a portion of the year to a large number of people scattered along the coastline of the county. Then there were the shipyards, because the vessels in which our people fished were built in our own shipyards, using our own lumber, timber and materials so far as they were available. We imported cordage and canvas and the ironwork was largely fashioned by local blacksmiths. I can think of six such shipyards in Lunenburg county alone and an average annual pay-roll for one of them would be about $50,000, with another $50,000 spent in the same year on materials. That is an average year. To-day every one of those shipyards, with one exception, and that one is not building a fishing vessel, is closed.

Furthermore, the fish were exported in casks which were made of hardwood staves from trees which were cut locally by local labour and made in local cooperages. Speaking from memory, I believe there are a large number of them scattered throughout my constituency. The hon. member for Antigonish-Guysborough (Mr. Duff), who has just come in, is thoroughly familiar with this because he has been in the salt fish trade all his life. A fair average payroll for one of these cooperages would be from $10,000 to $15,000 a year, with material taking a like amount. Those cooperages are in a large measure closed down. The men who pack the fish, who work on the wharves, the docks, have practically lost their livelihood, and the fleet which was once 100 strong was last year down to forty-two. This year, if conditions remain as they are and without some measure of governmental assistance, I do not believe ten Lunenburg vessels will go to the banks to catch salt fish.

The method of operation has changed. Sail is giving way by degrees to the Diesel engine, but basically our fishermen still catch their fish, salt them and bring them in. What is the outcome unless we obtain relief? It must be the destruction of that industry. I have heard it argued by many that the farmer is in a like position. He is, and he is not. A farm is not perishable. A farmer may lose it, it is true, by a process of foreclosure, but it still remains a farm capable of production as it always was. A vessel property is perishable. The average situation of the vessels of the Lunenburg fleet is this: they are operated largely under the provisions of the Merchant Shipping Act. Each vessel is divided into sixty-four shares, and under the act one man will act as manager, owner or agent for the rest. The crew and the owner work on a share basis or on a kind of partnership scheme or venture. Each year, when a vessel goes out, the managing owner advances the money or guarantees an advance by the bank to outfit it for the voyage that year at a cost of $4,000 or $5,000. In former days when commodity prices were higher, the amount would be greater. He trusts to the success of the venture in the sale of fish to recoup himself for his advance, but for the last two years he has not been able to recoup himself, and nearly every vessel fishing out of Lunenburg is in debt from three thousand dollars up to eight thousand dollars, and some for much more than that. That may not seem a staggering amount when you remember that the vessels cost from twenty-five to thirty thousand dollars, but if you try to sell those vessels to-day and on the auction block they bring approximately only $3,000. There is no demand for them; no one wants them, and the result is that the managing owners cannot advance any more money to operate them, and the banks will not and cannot be expected to advance any more money to operate these

vessels this year. If they cease to operate for one year, their markets are gone, or if their debts are not paid the vessels will pass from ownership in the constituency that I represent, and the fleet which has been built up over a period of nearly a century and a half will cease to exist; and the present method of livelihood of approximately half the people who live in the county of Lunenburg will be rendered impossible. Having said that, and it applies, if not in equal measure, to a greater or less extent, to the fishermen all along the coast of Nova Scotia, whether they operate in boats or vessels, and it is true also of the fishermen of New Brunswick and of the salt fishermen in the Gaspé peninsula, what do we suggest as a remedy?

My hon. friend from Charlevoix-Saguenay (Mr. Casgrain) did me the honour of quoting from a speech I made in Montreal some time ago, and he invited me to state what we have to suggest as a remedy. At the time that speech was made I was aware that a delegation was waiting on the government at Ottawa, a non-partisan delegation, including among its members my hon. friend from Antigonish-Guysborough (Mr. Duff), asking for certain remedies, and I did not feel that I was at liberty to reveal those remedies until such time as they had been presented to the Prime Minister and his colleagues; but now that they have been presented and are public property I do so without hesitation.

The first remedy asked for was a bonus. I know that my free trade friends will say that bonusing is unsound. I am not enamoured of the idea of a bonus if I could think of any other method. It is only as a measure of temporary and immediate relief, and if any other method could be suggested I should be glad to consider it, but I have had the opportunity of collaborating with those vitally interested in this industry in my constituency, with men on both sides of politics with whom I have sat in round table conference to discuss the situation and endeavour to find a remedy, and we have not been able to devise any other method. It is purely a temporary expedient, but unless we do get a bonus the paralysis which threatens will grip that fleet and the livelihood of half the people of Lunenburg county will be gone. So I urge the remedy of a bonus for the favourable consideration of the Minister of Finance, and when I ask him for it, I ask the house to remember that we do not ask it for Lunenburg alone, because we quite recognize that what we get must be given to all fishermen similarly situated. But we do ask it because we feel that in no other way can our industry be saved. It is purely a temporary expedient. To say that the salt fishing industry cannot and will not recuperate is equivalent to losing one's hope and faith in the future so far as the economics of the situation is concerned, and if we are going to face the future in a spirit of hopelessness generally, we might all just as well throw up our hands. But on the contrary, if we look forward to improving conditions, we see no injustice in asking this country for this temporary relief to tide us over this particular time because never in the 150 years of the existence of the industry have we asked anything similar before.

Having suggested a bounty, I come to the second remedy which we propose, and that is trade treaties. We realize that trade treaties cannot offer us any immediate relief, but they can offer us relief for the future. I might be asked, trade treaties with whom. I answer quite frankly, with any country in the world that is willing to take our fish. Again I give you my personal view and the viewpoint of my own constituency; we would say a trade treaty with Cuba. I know the difficulties which present themselves in that connection, the difficulties of the British West Indies treaty, because once you start to negotiate with Cuba immediately you will be told that you cannot negotiate unless you give Cuba a preference on sugar, and you cannot give Cuba a preference on sugar because of the British West Indies treaty. But I say to this house that as far as the maritime provinces are concerned, and I am speaking now not only of the fishing industry but of the potato industry as well, a treaty with Cuba would do more to rejuvenate those provinces than a treaty with any other single country in the world. Porto Rico, of course, does not offer the same opportunities because her tariffs are controlled wholly by the United States. We may be able to do something to help ourselves at the forthcoming Imperial conference, but we must remember that amongst our competitors with whom we shall have to deal are Newfoundland and the British Isles themselves, and what we get, of course, they must get. But even narrowing the field down to that extent would be of material assistance to us. As I said at the outset, trade treaties with almost any salt fish consuming country in the world are desirable to us.

Now I come to the last remedy which I suggest, and that is that we should get, even if it is only within the empire, some stabilization of currency. I am giving purely my own personal view and looking at the problem

wholly from my own standpoint and that of my constituency, but from the standpoint of my constituency, which is an exporter, we are by no means eager to bring the Canadian dollar back to par in terms of the American dollar bill. We do, however, want some stability of exchange, because with exchange fluctuating we cannot sell at thirty or ninety days not knowing what we are going to get at the end of that period. This instability makes it almost impossible to do business.

There is nothing further I want to add except this, and again I voice a purely personal view. Coming from Nova Scotia I realize that we cannot for some years to come, in any event, become a highly industrialized community. This is an age of hydro-electric power, and hydro-electric power so far as it is available to us is available only in comparatively small quantities as compared with many of the other provinces of Canada. Until we can get cheap electricity, we cannot become highly industrialized. On the other hand, we do not want to lose sight of the fact that we desire to become industrialized because by no other means can we hope to take care of the natural increase of our population, but until that time comes the industries on which we have to rely are the basic industries—our coal mines, fisheries, farming, and to a lesser extent our timber resources—and anything that can be done to help those industries helps to keep Nova Scotia alive. Personally I look forward to the day, and I do not think it is very far distant, when we shall be able to utilize our coal to produce electric power cheaper than it can be produced from the great rivers of Ontario, Quebec and British Columbia, but until that day comes I feel it my duty as one who was born and bred in a constituency in the province of Nova Scotia to press the interests of the greatest basic industry that I have in my constituency, and one which employs in the maritime provinces as many people as the coal and steel industries combined. We only ask the government to give us that fair consideration which they give to other provinces and other industries throughout the dominion.

Mr. CASGRAIN: May I ask one question with regard to the remedy of a bonus which my hon. friend mentioned? What form would that bonus take? Would it be a bonus to each individual fisherman dependent upon the size of the catch?

Mr. ERNST: With your permission, Mr. Speaker, the suggestion as to a bonus was a per quintal bonus to each fisherman on his production.

Mr. A. W. NEILL (Comox-Alberni): I rise, Mr. Speaker, merely to corroborate the interruption I made when the hon. Minister of Finance (Mr. Rhodes) was speaking. Although this is a very burning subject with the province of British Columbia I had not intended to speak to it at the present time for fear in some measure I might divert the line of argument of the hon. member who introduced the motion. However, as the Minister of Finance (Mr. Rhodes) has made certain comments in this debate I feel compelled, on behalf of the province of British Columbia—with which province I now find the province of Quebec should also be associated—to raise once more my voice, even if it be a feeble and fluttering one, in support of the rights of our province.

I think I might best size up the situation by quoting some remarks I made on June 2, 1928.

The act—

Under which this grant,—not a bonus, I would emphasize—is made—

—is now chapter 74 of the revised statutes of Canada, 1927, and it is called the Deep Sea Fisheries Act. It was passed in 1882—

That is 50 years ago.

—what did the act do? It provided that an annual grant—

I wish the house to note that word.

—not a bounty, a grant, of $160,000 a year be paid. Where was that grant obtained? By looking at section 2 we find that it is to be taken out of the consolidated revenue fund of Canada.

Mark that, Mr. Speaker.

This was not some ear-marked fund set aside, but the money was to be taken out of the consolidated revenue fund of Canada. What was to be done with it? I again quote section 2. It was to be used:

"To aid in the development of the sea fisheries of Canada, and the encouragement of the building and fitting out of improved fishing vessels, and the improvement of the conditions of the fishermen."

That is the fishermen of Canada.

May I say that Canada is a large country and takes in the Pacific as well as the Atlantic. The quotation from Hansard of my remarks continues as follows:

The act under section 7 took power to make regulations as follows: "The governor in council may, from time to time, make such regulations as he deems necessary or expedient respecting the payment of the said grant and the manner in which applications for the same or any portion thereof shall be made."

I would ask hon. members to note that the word "grant" is used, not "bonus". My remarks continue:

It is just the regular phraseology that allows the minister to make regulations for the carry-

ing out of the act. But it is an axiom of law . . . that parliament can give power to a minister to make regulations under an act, but those regulations must always be merely in an administrative capacity for carrying out the act. They are confined entirely to the administration of what is in the act. It is absolutely ultra vires and impossible for parliament to confer, and it never does confer by an act of that kind, legislative powers on a minister; that is to say, he cannot under those regulations go out and make legislation or change the legislation concerning which he is authorized to make regulations.

Then my remarks continue in a later paragraph:

But what the minister did in this case under the regulations was practically the same as if he had made a new act. He might as well have said that this money should be given for the production of cabbages or sheep or something of that kind because, by means of regulation, he changed the whole spirit and intent of the act. I am not speaking about the present minister, of course, because this thing has been going on for—

Fifty years.

By provisions made under the regulations the act was confined practically entirely to the maritime provinces and particularly Nova Scotia. They dared not do this in so many words . . . but they introduced, in connection with the application, language which practically confined the act to Nova Scotia.

And then I go on to an explanation which at this time I need not read. Then, later in my speech I find the following:

In addition to the provision against participation by those engaged in salmon fishing it did not even allow British Columbia fishermen to qualify where they were engaged in cod or herring fishing. In other words they said indirectly what they could not and dared not say directly, namely, that British Columbia—

And now, Quebec—

—should not participate in this grant which was announced to be entirely for the development of the deep sea fisheries of Canada.

Then I asked the question what they had done with this money, and the answer was:

As the bounty is based on the interest on Canada's share of the award made under the fishery articles of the treaty of Washington, 1871, and as the said articles apply to the Atlantic coast only, the payment is restricted to that coast.

Then my remarks continue:

That is a very nice answer if you want to believe it, but you do not have to. In the first place it is a grant, not a bounty, and it is so specified in the act. I am not talking about what happened in 1871; I am talking about the act which was passed in 1882.

While I say 1871 was the date of the Washington treaty, the award was not made until 1878. Then my remarks continue:

We have nothing to do with the intention or what somebody thought or did not think—

When the act was passed.

—we have simply the act to bind us. I have a letter from an official of the department making a very valiant and desperate attempt to justify the action of the government in years past. He writes in part: "The fishing bounty —" I object to the word "bounty"—"grew out of the award of the Halifax commission, which was made under the provisions of the Washington treaty of 1871."

And so on. That treaty was concerned with disputes between Canada and United States in connection with certain fishing rights. To make a long story short, Canada sold certain privileges to the United States for $4,500,000. In other words they sold a little bit of Canada, a little bit of the rights to which the industrial worker in Toronto, the fisherman in British Columbia, as well as myself, are entitled. They received $4,500,000 for those rights. What did they do with it? They put it into the consolidated revenue fund; nothing can be more certain than that. There were no restrictions, no reservations, no strings to it at all. That was in the year 1878, and nothing happened until the year 1882. At that time the Deep Sea Fisheries Act was passed which says that they would take $160,000 out of the consolidated revenue fund of Canada and use it for the development of deep sea fisheries. There is no reference made nor is there any connection whatsoever with the transaction which occurred four years before.

I could point out an analagous situation in the province of British Columbia where the American government paid the government of Canada a large sum of money for relinquishing pelagic sealing on the Pacific. What was done in that case? Those moneys were paid into the consolidated revenue fund of Canada as they should have been, because Canada's rights had been affected.

I know this is a painful subject to Nova Scotia representatives, and nothing but the extreme righteousness of my cause makes me bring it forward. I know this matter is an unpopular theme in the house. We realize however that a matter is never settled until it is settled right. I hope I may live to see the day when the hon. member for Digby-Annapolis and the hon. member for Cape Breton South (Mr. MacDonald) will, like Saul of Tarsus see a great light, and rise in their places and say, in the words of the Prodigal Son, "Mr. Speaker, we have sinned and done wrong." I hope they will be content to surrender our share of this money which, to put it mildly, they have been retaining all these years.

We in British Columbia are not going to be finicky about the situation. We are not going

to say, "Give us back all the money of which you have robbed us all these years." We will make a grand gesture and say, "Keep your ill-gotten gains, but let us in future participate in the moneys which were undoubtedly dedicated by the parliament of Canada to the development of the deep sea fisheries of Canada, and not to only one small section of the fishing industry." Commission after commission has dealt with this matter and has recommended that the distribution as at present made should be done away with; the money is wasted. It is doled out in little dabs, little amounts whereby one man gets $8 and another man $4.25, and so on. It is a perfect farce. As commission after commission has reported, it is a perfect farce to think that by such methods the deep sea fisheries of Canada can be developed. I think a part of the sum goes to the lobster fishermen.

Mr. DUFF: No, not one dollar.

Mr. VENIOT: No.

Mr. NEILL: Not in the province of Nova Scotia?

Mr. DUFF: No.

Mr. NEILL: Very well, I shall take that statement back. I know that not one cent goes to the deep sea fisheries on the Pacific coast.

I should not have brought up this subject which is so painful to my hon. friends opposite had it not been for the assertion made by the Minister of Finance who, by the way, I believe comes from the maritime provinces. I do not think however that will affect his sane judgment at this time, when he has had his attention called to actual facts. I think he will agree that this act ought to be dedicated to the purpose for which it was intended, namely the development of the deep sea fisheries of all Canada. The provinces of Quebec and British Columbia should have a share in it.

Mr. FINLAY MacDONALD (Cape Breton South): There are few members in this house, Mr. Speaker, to whom I listen with greater pleasure than the hon. gentleman who has just taken his seat. Usually he has the wrong end of the argument, but since he first brought up this matter in 1928 he has been, I might almost say, obstinate in refusing to see this question in its proper light. He appears to have an obsession with regard to this question of the fish bounties, and perhaps for the information of the house it would be well to clear up this matter and find out exactly what the bounty amounts to.

In 1871 the treaty of Washington was agreed upon by Great Britain and United States, and by article 18 of that treaty the fishermen of the United States were given liberty to exercise certain rights in the waters of the coast of the maritime provinces, Quebec and Newfoundland, while equal rights were given our fishermen with regard to United States waters. At that time there was no question of British Columbia or any other place; the question was as to the relative value of the rights which were given. To determine what those rights were worth a commission sat in Halifax.

Mr. DUFF: Have you the names of the commissioners?

Mr. MacDONALD (Cape Breton): I have not the names here, but most of us remember that one commissioner came from St. John, one from Quebec, one from Prince Edward Island—Sir Louis Davies—and one from Nova Scotia, I think five in all. At all events, as a result of their investigation compensation was fixed at $5,500,000, which was to be paid by the government of the United States to the government of Great Britain. This amount was not paid until January, 1879. Later the British government paid $1,000,000 of the award to Newfoundland and $4,500,000 to the government of Canada.

The amount paid to this country, as the hon. member stated, was put in the consolidated revenue fund, and subsequent to the payment of that amount the claim was advanced by the fishermen of the Atlantic coast that this amount should not be regarded as consolidated revenue but that at least the annual interest on the award should be specifically devoted to the development of the Atlantic coast fisheries. Thus it was determined that the difference in the value of the rights given the fishermen of both countries was $5,500,000. The report to which I am referring goes on to say that it is to be regretted that the legislation empowering the governor in council to authorize the annual grant of $160,000 does not in specific terms state that this amount is for the benefit of the Atlantic coast fisheries. I am referring to the report of the royal commission investigating the fisheries of the maritime provinces.

Mr. NEILL: Of what year?

Mr. MacDONALD (Cape Breton South): The report was issued in 1927. I agree with my hon. friend that this amount never should have been placed in the consolidated revenue fund.

Mr. NEILL: Yes, it should.

Mr. MacDONALD (Cape Breton): This is a trust fund, and the beneficiaries are the fishermen of the Atlantic coast and Quebec. My hon. friend need not try now to muscle in on this amount, because it is our money and no government, Liberal or Conservative, would dare break faith with the fishermen of the maritime provinces and Quebec by diverting any part of that $160,000 to some other portion of Canada.

Mr. CASGRAIN: Are there not certain conditions imposed before this bounty is paid?

Mr. MacDONALD (Cape Breton): The bounty is regulated according to the catch, and so on.

Mr. DUFF: And the time they are engaged in fishing.

Mr. NEILL: And the size of the boat, and so on.

Mr. MacDONALD (Cape Breton): In any case, that procedure has been followed through all the years, and now it is too late for my hon. friend to try to claim a share of that money. I quite agree that the wrong method was taken at that time; the money should have been placed in a trust fund, but the unfortunate thing is that this was not done, and the mistake made at that time has afforded my hon. friend several opportunities to bring forward this claim on behalf of his province.

Mr. NEILL: Hear, hear.

Mr. DUFF: Is it not a fact that the German reparations payments to this country go into the consolidated fund, just as this money went into it?

Mr. MacDONALD (Cape Breton): Yes, in the same way.

Mr. NEILL: Yes, but the German reparations payments did not disappear for four years, as this money did.

Mr. MacDONALD (Cape Breton): The point I am making is that this money must be regarded by any government as a trust fund to be used for certain purposes. Possibly the time has come when this whole matter should be reconsidered. I am not at all convinced that this payment of bounties is the best way to use this money. I am particularly interested in boat fishermen; I differ with my hon. friend from Queens-Lunenburg (Mr. Ernst), who is interested in large vessels. My constituents are all poor men along the fringe of the Cape Breton coast; they are all boat fishermen, and they all receive this bounty, which is graded according to the size of the boat, the number of men working, the amount of fish caught, and so on. For years this industry has been declining; the fishermen are getting poorer, and in many cases they are leaving their homes. In this report of 1927 the statement is made that the fishing villages along the coast are growing fewer and smaller year by year. That should not be so. Within ten or twelve miles of the coast of Nova Scotia we have the richest fishing area in the world, with enough fish to feed Europe and Canada. We see that industry declining year by year and the fishermen becoming poorer and poorer. It is simply a statement of fact that past governments, Liberal and Conservative, did not have their eyes open to the value of this great natural resource.

Mr. DUFF: Hear, hear.

Mr. MacDONALD (Cape Breton): Even under present depressed conditions we find eighteen or twenty million dollars a year derived from these fisheries, but unfortunately the industry is declining and the fishing boats are rotting on the shore. Surely with such a great natural resource placed in the hands of our people we should be sufficiently alive to its importance to take the necessary steps to develop it along sound lines.

What is the cure for the present unsatisfactory condition of our fishing industry? Every person who has given the matter the slightest consideration knows that something must be done or the industry will perish. Our fishermen must be given leadership and asistance to equip themselves with boats and nets in order that they may be encouraged to carry on their hazardous calling. Curing plants should be established and transportation facilities provided. This government and the preceding administration have given some attention to providing subsidies for boats and other assistance. But last and possibly most important of all is the necessity of educating our people to the value of fish as a food. The people of Ontario and the west do not know anything of the food value of fish. Since I have been in Ottawa only on one or two occasions have I had the pleasure of partaking of fish fit to eat. Of course, the people of these parts have no opportunity of judging just how good fish is as a diet. I hope my hon. friend from Marquette (Mr. Mullins) will not be offended if I tell him that a good, well-cooked fish is far preferable to the best piece of western beef that ever came off the prairies. The great problem, as I view it, is to instruct the people of Canada as to the food value of good fish. The second

problem has to do with putting the fish on their tables. Some work along that line is being done at the present time. Before we talk about securing markets for our fish in other countries, I believe with a proper system of transportation and a proper realization of the food value of fish there is a market in Canada alone for many millions of pounds of this commodity, a market that would be sufficient to place the fishermen of the maritime provinces on their feet and make them prosperous and happy. But to-day it is necessary to begin from the ground up and educate our people to the importance and value of fish in their daily diet.

Now, with regard to the resolution itself, I have no quarrel with it at all. I am in favour of it.

Mr. CASGRAIN: Thank you.

Mr. MacDONALD (Cape Breton): But I want the resolution broadened out; it should not be confined to the province of Quebec alone. Quebec is in the same category as the maritime provinces. We have this great wealth of fisheries on our Atlantic coast extending from the St. Lawrence down to Cape Breton and all around Nova Scotia. It is a lamentable fact that in the past those in authority in this country have not realized the value of these fisheries, but it is to be hoped that now the matter has been brought to the attention of the government they will regard it not as a party question at all, but as a national question, and will take such action as will tend properly to develop one of the most important of the natural resources of Canada, --the fisheries of the maritime provinces.

Mr. A. E. MacLEAN (Prince): Mr. Speaker, as this discussion has taken more or less of a general trend, and the question of bounties has been brought up, I desire to bring one phase of it to the attention of the house. I regret that neither the acting Minister of Fisheries (Mr. Duranleau) nor the former minister of the department (Mr. Rhodes) is in his seat. Possibly members have noticed through the press that there is a strong agitation among the Maine fishermen to place an embargo on the importation of live lobsters into the United States. One of the reasons for the agitation is the very question that we have been discussing this afternoon. They say the fishermen of Canada are subsidized, and that therefore the American fishermen cannot compete with them. I take strong exception to the statement, for I think I am correct in saying that the lobster fishermen of the maritime provinces, especially Prince Edward Island, are not subsidized in any shape or form and do not qualify for the bounty which is paid under the fisheries award. If I am not correct I should like to be put right.

Mr. DUFF: That is right.

Mr. VENIOT. That is right.

Mr. MacLEAN: I am quite certain that individual lobster fishermen cannot qualify for any bounty, consequently our friends across the border are wrong in the stand they are taking. Recently two bills have been introduced in the Senate of the United States and have received strong support. Their purpose is to impose an embargo on lobsters under ten and a half inches. At the present time our fishermen are allowed to ship into the United States live lobsters measuring nine inches in length. The American fishermen are not allowed to ship in lobsters under ten and a half inches in length. Now they are asking that an embargo be imposed against Canadian lobsters and that the requirement as to size apply to all lobsters offered for sale in the United States, namely 10½ inches. I have in my hand a press report in which it is stated:

> We are not seeking to keep out Canadian lobsters. Canada can ship all she wants to if she'll follow the proper conservation practices and ship in lobsters of the proper length. Canada subsidized lobster fishermen and their competition had cut prices.

I want to direct the attention of the Department of Fisheries to how seriously such an embargo would affect the lobster fishermen of the maritime provinces. I do hope the minister will take cognizance of what is going on and endeavour to present the facts of the case to the United States Department of Fisheries, because it is absolutely unfair that our fishermen should be treated in this way when our friends across the border are labouring under such a misapprehension of the facts. A few days ago I wrote to the United States authorities. This letter, which was addressed to the Department of Fisheries, Washington, and dated March 16, reads:

> Sometime ago newspaper reports stated that the United States government intended putting a duty on live lobsters going into the United States market but recently I have not seen anything in connection with this matter.
>
> Will you kindly let me know if any action has been taken regarding it and at what stage such legislation, if any, is at the present time.

The reply, dated March 18, reads:

> Dear Sir:
>
> In reply to your letter of March 16, it is presumed that the newspaper reports mentioned may have referred to bills introduced by Senator White (S. 2370) and Congressman

Nelson (H. R. 6586), of Maine which would have prohibited the importation of lobsters less than 10½ inches in length which accords with the legal restrictions in the State of Maine. So far as the bureau is aware, neither of these bills have ever been reported out of committee.

Very truly yours,
Lewis Radcliffe,
Acting Commissioner.

It would appear that these bills have not yet come before the house, but are still before the committee. Under date of March 19, I replied as follows:

Your letter received and I wish to thank you for the information contained in same.

By the newspaper reports it would appear that your department is under the impression that our Canadian lobster fishermen are subsidized by the government. This is not quite correct as any fishing bounty given in Canada goes to line fishermen and lobster fishermen alone cannot qualify for the bounty, so that this argument cannot be used.

As I said before, I should like to see the government take up this matter in a departmental way and advise our friends across the border that the lobster fisherman of the maritime provinces is not subsidized, and that this should not be used as an argument for the putting on of an embargo or restriction such as has been suggested. Possibly the former Minister of Fisheries (Mr. Rhodes), who is now in his seat, may have some further information on this matter. I know it will be welcomed by the house and by the fishermen of the maritime provinces.

Mr. G. M. McDADE (Northumberland): Mr. Speaker, I agree with the observations of the last speaker and also with the remarks of the hon. member for Cape Breton South (Mr. MacDonald): I come from the Miramichi district, and unquestionably this river is the greatest salmon fishing river in the world, as to quality, and second only to the Pacific coast, as to quantity. I should like to speak very briefly in connection with a problem which is of vital importance to the salmon fishermen in this river.

We welcome the American angler to Canadian waters and appreciate the money expended in the payment of guides, the opening up of camps, and the purchase of supplies, but unfortunately at the present time there obtains in certain quarters in New Brunswick the impression that commercial fishing on the Miramichi should be curtailed if not entirely eliminated. Last year I had the pleasure of attending a representative gathering of the various fishing interests held in Chatham, where the Deputy Minister of Fisheries explained the desire of his department that the several interests should cooperate for the good of this great fishing industry. Unfortunately, conflict exists between the American angler and the set-net men, the anchor men and the drifters, but it is the policy of the department, as enunciated by the deputy minister, to endeavour to arrive at some common ground so that this great asset on the Atlantic can be protected and conserved for the common good.

As I said before, the curtailment of the commercial fishing is being agitated. I think this agitation is being inspired by eminent legal counsel who have seen fit to accept retainers from our American friends to advance the cause of the American angler as opposed to that of the set-net men and drifters. I submit that the interests of the Canadian people are paramount and that there should be no undue interference with the liberties which they have enjoyed from time immemorial. I submit also that the commercial fisherman should cooperate to a reasonable extent with the angler; he should realize the immeasurable benefit which accrues to other sections of the country from the investments of our American friends. I might mention that the Hon. Mr. Justice Maclean, as chairman of the royal commission in 1928, did not make any recommendation as to the curtailment of driftnets. The situation is so serious to our people that in these days of economic distress I submit that any change contemplated should be deferred, at least, until times improve, which we trust will not be in the very distant future.

I am heartily in sympathy with the hon. member who has submitted this resolution to the house for its consideration, but I would have preferred had its principles been extended to the maritime provinces. I realize the absolute need at the present time for economy and that subsidies to our fishermen would of necessity involve a large financial outlay. But the situation is serious, and, consistent with the need for economy in all departments of the public service, I appeal to the administration to consider seriously the representations which have been made and to grant them as far as the finances of the country will permit.

While I am on my feet I should like to refer briefly to the earnest plea which has been made by the fishermen of the Miramichi for a system of cooperative marketing and the provision of adequate cold storage facilities.

May I add that the situation facing the driftnet fishermen of the Miramichi is a vital one. This industry employs a large number of people who have no other possible means

of earning a livelihood. We welcome the American to Canada, but I submit, with all due deference to my good friends of the bar who have accepted large retainers, that this is not the time to curtail seriously the liberties of our people. The various interests, including the American angler, should be able to find some common ground upon which to work for the good of the public generally.

Mr. VENIOT: The hon. member referred only to the Miramichi river; does he not mean the bay as well?

Mr. McDADE: I was referring particularly to the river, but my remarks would apply equally to the counties of Gloucester and Kent.

Mr. VENIOT: I was afraid the wrong impression might be given by referring only to the river.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, I am not going to speak at great length, but I have a few words to say on this matter on behalf of my constituents. First of all, the fish should belong to the people who live along the rivers and streams, to be used for their food, the surplus to be sold on the outside market for the use of people who live at a distance from those rivers and streams. In my constituency, which is fairly large, there are at least 150 lakes and many streams and rivers. I congratulate the hon. member for Charlevoix-Saguenay (Mr. Casgrain) on his excellent move in directing the attention of the house to the fisheries of this country and more particularly of the province of Quebec. I am sorry to say that the most important lakes and streams of my constituency have been rented to United States citizens through the influence of a legislative councillor, whom I shall not name but whom everyone will recognize, and who by some unknown means has been able to secure leases of those lakes and streams on behalf of foreigners. In fact, last winter at least thirty people, who were not fishing but hunting on the grounds of those landlords, were arrested and had to spend thirty days in gaol.

My idea about fisheries is that, first of all, the people of any particular province should benefit from its own natural resources. I do not know what the conditions are in Nova Scotia, New Brunswick and British Columbia, but in Quebec the fishing industry is a real one. I contend that it should be enjoyed by the citizens of that province, and it is on their behalf that I suggest that the Minister of Fisheries, in case he takes the matter up with the provincial government, see to it that all the leases that have been secured through the influence of that legislative councillor, who was elected a long time ago but who is no longer elected by the people, be cancelled, and that orders be given that in future no recommendation be accepted from him on behalf of any United States or other foreign citizen for the enjoyment of the exclusive privilege of fishing in our territory.

Mr. RHODES: Is the hon. member not aware that the question he raises is one solely within the purview of the province of Quebec?

Mr. POULIOT: I understand that very well, but what I say is directly connected with fisheries. I am discussing broadly the question of fisheries, especially as it concerns my constituency. I am not asking the federal parliament to enact any legislation in that regard; I am merely suggesting this to the Minister of Fisheries who I am sorry, is not present. Is the Minister of Finance (Mr. Rhodes) acting as Minister of Fisheries? I am sorry that when we are discussing such important legislation the Acting Minister of Fisheries is not in his place. My good friend the Minister of Finance, however, has been kind enough to listen to my remarks, and I suggest to him that the next time he meets the Acting Minister of Fisheries in council, he give him my suggestion if he is dealing with the provincial government in regard to the matter of fisheries.

Mr. CASGRAIN: May I interrupt my hon. friend? The Acting Minister of Fisheries (Mr. Duranleau) is not present, it is true, through no fault of his own. I hold no brief for him, but I understand there has been some bereavement in his family and that is the reason he is not here.

Mr. POULIOT: I offer my apologies. Under those circumstances he is not to blame; but I shall explain the matter to him personally and relieve the Minister of Finance of that burden.

Mr. RHODES: It will be a pleasure.

Mr. POULIOT: I thank the minister very much, but let me say to him in all earnestness, I shall be delighted if he will be disposed to talk the matter over with the provincial authorities when he meets them. Probably they are not aware of the situation and it should be brought to their attention. I am sure that as soon as the fact is disclosed to

them, they will immediately see to it that the leases are cancelled, that the people who live along those wonderful streams and lakes have their rights restored to them, so that in future there will be no such reason to complain. This is why I should be glad if the hon. gentleman would say a word in support of the matter. I am sure his wonderful smile shows that he has been convinced.

Mr. ONESIME GAGNON (Dorchester): Mr. Speaker, I am grateful indeed to the hon. member for Charlevoix-Saguenay (Mr. Casgrain), first of all for having brought up a very interesting question for discussion, and, second, for having informed the house that the absence of the Acting Minister of Fisheries (Mr. Duranleau) is due to a very sad bereavement in his family. As you know, Mr. Speaker, this morning he was obliged to attend the funeral of a brother to the late Hon. Rodolphe Monty, who was at one time a prominent figure in this house and member of this party.

Before attempting to comment on the resolution submitted to the house by my hon. friend, may I tell him I am rather surprised that he has waited such a long time before asking the federal government to cooperate with the provincial authorities in an endeavour to alleviate the sad situation which confronts the fishermen of Quebec. I am afraid I shall have to crave the indulgence of the house for being obliged to pass in review some of the judgments delivered by the privy council in reference to the question of fisheries.

Before 1922, as it is well known, the federal government was administering the fisheries in Quebec as it does now for the maritime provinces and British Columbia. Under the British North America Act "sea coast and inland fisheries" are, by inclusion in article 12, placed under the jurisdiction of the federal government. No difficulty arose about fisheries between the federal government and the provinces "until about 1882, when the federal government undertook to lease salmon angling privileges in non-tidal rivers in New Brunswick." The privy council held in the famous case of Robertson vs. the Queen that in non-tidal waters, the fisheries did not come under the legislative power of the federal government, "but remained the property of the riparian owners."

Following the above decision, the provinces claimed that they had jurisdiction in tidal waters as well, and it was agreed upon between the federal and provincial governments to submit for decision a stated case to the supreme court and finally to the privy council. Lord Haldane, in delivering the judgment of the lords of the Judicial Committee of the Privy Council on November 30, 1920, in the case of the Attorney General for the Dominion of Canada against the Attorney General for the province of Quebec, gave a very comprehensive study of the different laws and decisions with respect to the fisheries and the respective rights of the federal government and the governments of the provinces. I shall not venture to quote in full the notes of the learned jurist, but allow me, Mr. Speaker, to draw your attention to the following:

In the province of Quebec, under the old French law and before 1760, "the right of fishing in navigable waters belonged to the domain of the crown and the public enjoyed the right of fishing in such waters, only subject to the prerogative of the king of France, to grant at his pleasure exclusive rights of fishing to individuals." This state of law, however, was altered "by statutes passed after the session of 1763."

It is not necessary for me to dwell at great length on the various statutes passed until the British North America Act became law in 1867.

In the case of the Attorney General for the Dominion vs. the Attorney General for the Provinces, submitted to the privy council in 1898, it has been held that the exclusive power of regulating fisheries, "no matter where they were situated, was vested in the federal government, under the British North America Act, but that any rights which the provinces had prior to confederation were still retained by them." It has been contended that this decision "did not define what were those property rights of the provinces." After the rendering of the said decision in 1898, the provinces along the sea claim the administration of their respective fisheries.

It was decided in 1914, in the case of the Attorney General for British Columbia vs. the attorney general for the dominion (1914-A. C. 153) that:

> —it was not competent for the legislature of British Columbia to authorize the government of the province to grant exclusive rights of fisheries in tidal rivers or in the sea, including arms of the sea and estuaries of rivers. It was laid down that in the sea wherever the common law of England applies the right of fishing is a public right not dependent on the proprietary title and that consequently the regulation of the right must rest exclusively with the Dominion parliament.

It has been said that this decision settled all causes of litigation between the dominion and the provinces, everywhere except in Quebec.

In the province of Quebec, as you know, Mr. Speaker, the law is different from the

law of the other provinces. The latter are governed by the common law of England and the former by the civil code and the statutes of the local parliament.

Immediately after the decision of the privy council, in 1914, the Dominion of Canada published, in the official Canada Gazette, a notice stating that on January 1, 1915, "it would assume control of the fisheries in the tidal rivers of the province of Quebec hitherto administered by the federal government" and at the same time, on the 25th of January, the government of the province of Quebec published, in the Quebec Official Gazette, a notice that "the decision of the British Columbia reference did not apply to the province of Quebec and that, therefore, any person wishing to fish in the river and gulf of the St. Lawrence and any tidal waters, should make application to the Department of Colonization, Mines and Fisheries" to obtain the necessary license or permit.

As a result of the fresh controversy which then arose, a new reference to the privy council was agreed upon and in 1914 the case of the Attorney General for the province of Quebec vs. the Attorney General for the Dominion of Canada was submitted to the court of the King's Bench of the province of Quebec, and afterwards to the privy council. That case is precisely the one I referred to a moment ago, when I quoted the judgment of Lord Haldane. The decision of the privy council was decidedly in favour of the Dominion of Canada. The distinction made by the lords of the privy council is very clear. In tidal waters the power of granting rights of fisheries is vested exclusively in the federal government when the fishing is carried on in the waters without attaching engines or nets to the soil; but when the fishing is carried on by way of fishing nets attached to the soil, the provincial government has the exclusive power to grant the right to affix engines to the soil.

Be that as it may; that decision was not at all a victory for the government of the province of Quebec, as was admitted by the former Minister of Justice, the hon. member for Quebec East (Mr. Lapointe) on April 3, 1922, at page 620 of volume 1 of Hansard for 1922, when he recognized that the decision of the privy council in 1920 gave to the federal government the exclusive power of regulating the fisheries.

May I say, Mr. Speaker, that that decision was certainly a very wise one. It marked the end of a long struggle the sole result of which had been, federally as well as provincially, to divert attention from a basic industry, just as important as agriculture, and to delay for a quarter of a century the rational organization of our deep sea fisheries. It finally placed Quebec on a basis of equality with the other provinces, permitting it:

(1) To have a single and complete fishery service: (a) to compel respect for the laws and regulations; (b) to ensure the observance of the treaties concerning foreign fishermen on our coasts;

(2) To put an end to abusive and indefinite claims derived from certain seigneurial privileges;

(3) To place the entire service, police and education, under the experienced direction of the federal department, which is equipped with the required means of action;

(4) To establish a system of cooperation, along well defined lines, betwen the federal and provincial governments, in order to revive our deep sea fisheries. The highest authorities of the country, united under the name of Natural Resources Conservation Commission, had already recognized that such cooperation was essential to ensure the full application to the deep sea fisheries of the administration's salutary influence.

(5) To liberate the provincial treasury from an expensive and difficult service, entailing if it is to be carried to the same degree of perfection and usefulness as those of the maritime provinces, for example, an annual expenditure that cannot be less than $400,000 or $500,000. As these provinces cost the federal treasury over $1,000,000 a year, it is considered that from $400,000 to $500,000 should be allowed to the province of Quebec, where all is yet to be done.

During the season of 1921, in pursuance of the decision of the privy council, the federal Department of Marine and Fisheries assumed the administration of all fisheries "in navigable waters accessible from the sea by navigation." The department drew up and started to carry out the following program of reforms:

(a) To create a staff of younger men who would follow a course of special studies and secure technical qualifications, etc. To begin with, fish wardens had to be trained, just as agronomists are in agriculture, along the lines already followed in the maritime provinces.

(b) To increase salaries in order that the new staff should devote its whole time to the fishery service.

(c) To establish a bureau of fisheries at Quebec.

(d) To establish an educational centre somewhere in the Gaspé peninsula to meet the immediate requirements of the service, then to develop into a marine biological station, demonstration, study and information centre, etc.

(e) To carry on throughout the province a publicity campaign for the products of the sea, etc., etc.

It is interesting now to ask ourselves whether the government of the province of Quebec at any time in 1921 expressed its willingness to cooperate with the dominion authorities in putting into operation the program of reforms which had been proposed by the federal Department of Fisheries. The government of the province of Quebec was desirous of concealing from the electorate of that province the fact that it had gained nothing in the long and protracted litigation which lasted more than twenty years. It gave the keynote to the Liberal newspapers of the province of Quebec to proclaim that the privy council had recognized the predominant claims of the province over the rights of the federal government. The present hon. member for Quebec East (Mr. Lapointe) on April 3, 1922, admitted in the House of Commons that there was still a conflict as to jurisdicition in the administration of fisheries along the coast. Instead of safeguarding the rights of the fishermen of the province of Quebec the Dominion government in the month of February, 1922, by a mere order in council, transferred the whole administration of Quebec fisheries to the legislature of that province.

May I state, Mr. Speaker, how that came about. Hon. members know that a general election was held in the year 1921. Throughout the campaign in the province of Quebec not a word was uttered on Liberal platforms concerning the administration of fisheries within the province. The Conservative government was defeated at the polls. In the month of January, 1922, the new administration took office. At that time the present hon. member for Quebec East was made Minister of Marine and Fisheries and began to negotiate in camera with the Minister of Fisheries in the province of Quebec. As I have said, in February, 1922, by a mere order in council, without the authority of parliament, the government of the dominion transferred the administration of fisheries to the legislature of the province of Quebec.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. GAGNON: Before recess, Mr. Speaker, I was discussing the purport of the order in council passed by the Dominion government on February 14, 1922, transferring the administration of fisheries in the province of Quebec to the government of that province. I stated that this order in council, although very far-reaching in its scope, had not been made the subject of public discussion during the federal elections which had taken place only two months before it was passed, and that neither the Liberal candidates for the federal house nor the premier of Quebec, who took a great part in those elections, let the people of that province know the drastic change which was contemplated with regard to the administration of fisheries.

Mr. DUPUIS: I would like to know where and in what circumstances the premier of Quebec took such a large part in that federal election.

Mr. GAGNON: I am surprised at such an interruption by my hon. friend, because he knows very well that Mr. Taschereau has taken a large part in every dominion election. During the last election, in July of 1930, Mr. Taschereau spoke in Quebec and asked the people of his province to vote against the present Prime Minister because of conscription, although that question had been buried years before. Now I hope hon. gentlemen opposite will let me speak about fisheries, because so far as I know there is no connection at all between fisheries and conscription.

Although the Liberal platform previous to the election of 1921 did not include the transfer of the fisheries to the provincial government, during January and February of 1922, meeting in camera and without consulting parliament, the Liberal government of the day passed this order in council, this mere scrap of paper, which was entirely against the best interests of the fishermen of Quebec. It was not surprising that when parliament met, immediately after the election of the Speaker, Right Hon. Arthur Meighen, at that time leader of the opposition in the house, moved for the production of all the correspondence and the order in council itself. The order in council was produced, but fearing that a public discussion might take place in Quebec the Liberal government of that province took the precaution of inserting long articles in Le Soleil of Quebec and La Presse of Montreal, proclaiming what they called the great victory of the provincial government over the federal government. I have before me Le Soleil of February 15, 1922, on the first page of which appears the heading "A great victory for the province of Quebec." The article goes on to say that the province of Quebec secured a great victory, after twenty-five years of struggle, by obtaining relief from the oppres-

sion of the federal government; that the rights of that province finally had triumphed and the perseverance of the provincial government had been rewarded. Reading such extraordinary statements one would think the province had been threatened with a plague or something of that kind, whereas the article only has reference to the transfer by order in council of the control of the fisheries of Quebec. The same issue of Le Soleil contains a statement by Hon. Mr. Perrault of Quebec, who was then and is still Minister of Fisheries for that province.

Mr. CASGRAIN: Mr. Perrault is not Minister of Fisheries now.

Mr. GAGNON: Mr. Perrault is reported to have said that from that time on the province of Quebec would have absolute control over its fisheries, and when a debate took place in the provincial legislature Hon. Mr. Perrault boasted of having achieved such astounding results. The leader of the opposition, who then was Mr. Arthur Sauvé, the present Postmaster General, expressed some fears as to the legality of the transfer of such rights which, by the British North America Act, were vested solely in the dominion parliament. He suggested that the provincial government should have some legislation enacted which would really protect the interests of the fishermen of Quebec, but nothing of the sort was done.

The Liberal newspapers, inspired by the leaders of the party at Quebec as well as at Ottawa, took care to proclaim the great victory achieved by the province in preventing the dominion from contributing any money to provide the fishermen of Quebec with an efficient and reasonable service. After having read those remarks I am not surprised that hon. gentlemen opposite have been silent and deaf for eight years and that they never invoked the authority of the federal government to come to the rescue of the fishermen of Quebec. But now, Mr. Speaker, when we have a Conservative administration here in Ottawa, hon. gentlemen opposite proclaim themselves the saviours of the fishermen, and want to have the impression go throughout Quebec that we are not adequately protecting the fishermen of that province, though that province has taken the matter under its own control and this government has been prevented from contributing anything to help those men.

This afternoon, before the dinner hour, I heard the hon. member for Bonaventure (Mr. Marcil), helping his friend the hon. member for Charlevoix-Saguenay (Mr. Casgrain), ask that the federal government cooperate with the provincial government. I have before me Hansard for 1922, and I find that the hon. member for Bonaventure brought forward a resolution congratulating the Dominion government, presided over at that time by the present right hon. leader of the opposition, for having secured that great victory for Quebec, in the transfer of the administration of fisheries. I find also the speech made in this house by the former Minister of Justice (Mr. Lapointe), who explained very fully all the different legislation, the orders in council and the judgments of the privy council which had to do with the matter. When Mr. McQuarrie, at that time a distinguished member from British Columbia, rose in his place and put some questions concerning the administration of fisheries in Quebec and in British Columbia, one of the many reasons advanced by the former Minister of Justice to justify the transfer was that the federal government had spent in Quebec $88,000 and had received only $12,000. On April 3, 1922, answering a question put to him by Mr. Ladner, another distinguished member from British Columbia, the former Minister of Justice said:

> I do not see how any revenue could be enjoyed in view of the fact that we expended $88,000 last year and the receipts were only $12,000. So the Quebec fisheries will be a charge on the provincial government.

Now, this is the wonderful way in which our friends opposite have seen fit to serve the interests of the fishermen of Quebec. It is no surprise that they who have been deaf and mute for twelve years now say that the exchequer of Quebec has not sufficient revenues, and that this is the reason why the federal government should contribute more towards the Quebec fisheries service.

I am not opposed to the federal government helping the fisheries of Quebec, and I am ready to support the motion; but, Mr. Speaker, I think it is imperative that we on this side of the house should tell the people of Quebec what motives lie behind this motion, and that we should tell of the great betrayal in 1922 of the fishermen of Quebec by our friends opposite. Mr. Meighen, the then leader of the opposition, speaking on the same motion expressed his surprise at the astounding procedure the government had chosen to adopt to get rid of the administration of fisheries, and he added:

> The minister's remarks have been of value as interpreting the judgments delivered since 1882 by the privy council. I may go further and say that they are illuminating on every question except those questions which may possibly come in controversy and be of moment in connection with the conduct of administration,

that is to say, on the question of the right of the government of Canada to abdicate to any other government a function placed in it by the constitution, the right of the government of Canada by order in council to amend the British North America Act.

The hon. member for Charlevoix-Saguenay and the hon. member for Bonaventure have referred to a delegation which last week interviewed the provincial Minister of Fisheries at Quebec, but the former hon. gentleman deemed it wise not to read the memorandum which that delegation then submitted, for it strongly condemned the fisheries administration of the provincial government. The text of this memorandum was published in the Quebec Chronicle-Telegraph on the nineteenth instant. As hon. members know, that newspaper supports the provincial government. This appears on the front page.

The object of our visit, Mr. Minister, is to bring to your kind attention the following facts:

1. Stagnation and decline of our fisheries:

It is an axiom of general knowledge that, "When we do not advance, we recede." In 1922, in the legislative assembly, Mr. Fabien Bugeaud brought to notice our state of stagnation; the total yield of our fisheries has not changed since fifty years. Therefore, if there must be a change, if it is to come soon, it appears that it will come under the heading of a deficit. To back up this assertion, allow me to quote some figures establishing a comparison between the revenues of the Quebec fisheries and those of three other important provinces; New Brunswick, Nova Scotia and British Columbia. These last show a total augmentation of approximately $29,000,000 during this period while we show a decline.

Then they give these figures:

Nova Scotia	
1880	$ 6,219,061
1930	10,411,202
New Brunswick	
1880	2,744,447
1930	4,853,575
British Columbia	
1880	713,335
1930	23,103,302
Quebec	
1880	2,631,556
1930	2,503,998

I ask hon. members to notice that in the fifty years from 1880 to 1930 the fishery revenues of British Columbia increased from $713,335 to the huge sum of $23,103,302, while the fishery revenues of Quebec decreased in that period from $2,631,556 to $2,503,998.

Some hon. MEMBERS: Shame.

Mr. GAGNON: Those facts are astounding, and they tend to prove that instead of resorting to litigation for half a century the government of Quebec should have come to an understanding with the federal government. Now, the only way to remedy the situation is to arrange a conference between the provincial and the federal authorities, to ascertain by what means the interest of the fishermen and the public interest would be best served. Although, as I said a moment ago, this resolution is moved only in order to try to impress on the people of Quebec that the Conservative party never did anything for the fisheries of Quebec, for my hon. friend knows very well that the federal government has no jurisdiction over the fisheries of Quebec, yet if my humble vote can do something to relieve the sufferings of our fishermen brought about by the misguided policy of our friends opposite when they held office and assumed to transfer the administration of the Quebec fisheries by a mere order in council, a procedure which was ultra vires, and extraordinary—I say if I can do anything to help relieve our fishermen from the disadvantages which they are now labouring under as a result of that ill-advised action, I will vote for the resolution.

Mr. MAURICE BRASSET (Gaspé): Mr. Speaker, I have listened with much attention to the debate and I am in full accord with the purpose of the resolution. I am very much interested indeed in the ultimate settlement of this question, my county being situated in that part of the Gaspé peninsula where the province of Quebec has control of its fisheries, while the Dominion government have control of the Magdalen islands.

I do not quite understand the motives underlying the speech delivered by the hon. member for Dorchester (Mr. Gagnon). This is not a question of politics, it is not a question of Conservative or Liberal policy, it is simply a question of helping the fishermen. In 1922 the province of Quebec asked the Dominion government to take over control of the fisheries of the province, because the fishermen, especially those on the Gaspé coast, were in a state of distress. After the war there were no fishing boats on the Gaspé coast, these people not being able to resume fishing operations, and the provincial government asked the Dominion government to cooperate in the control of these fisheries, not simply to have control but to cooperate in the helping of the fishermen of Gaspé and of the province.

I cannot understand the attitude of hon. members opposite, especially those from the province of Quebec. Every time they rise in their places to discuss a matter concerning Quebec, they do not discuss it from the federal angle, but blame everything on

Premier Taschereau. It is not the premier's fault that this government is in its present condition. Every time hon. members speak of Quebec they bring in the name of Premier Taschereau. He can handle his own business and I ask this government to handle the business of Canada.

We ask that the government give assistance to the fishermen of Quebec. Only a few years ago the farmers of the west had no need of dominion assistance; the country was prosperous and they were able to take care of their own needs. But a crisis came and the farmers of the west had to ask the federal government for assistance, which was granted last year in the form of a bonus on wheat of five cents per bushel. The same thing is true of Quebec. In past years the fishermen had no need of assistance from the federal government or from the provincial government. During the past ten years the provincial government has helped them to the extent of paying fifty per cent of the cost of the construction of their schooners as well as assistance in the purchasing of equipment. A very grave state of affairs exists to-day on the Gaspé coast and the provincial government alone is not able to grant the assistance required. These people now come to the federal government to ask that they be granted the required relief. The fisheries of the dominion expended in 1929-30, $2,400,000, a large portion of this amount being in the form of taxes paid by the fishermen of Quebec. It is only right that these men now have a share in the expenditures being made by this government. It is up to the federal government to contribute something towards the support of the fishermen of Quebec, and it is because of this that I am in full accord with the resolution moved by the hon. member for Charlevoix-Saguenay (Mr. Casgrain).

Mr. L. W. JOHNSTONE (Cape Breton North-Victoria): Mr. Speaker, before this discussion closes I should like to make a few remarks. The ground has been covered very ably by the hon. member for Queens-Lunenburg (Mr. Ernst) and there is very little more to be said. However, as I represent a constituency in which there are a great number of fishermen, I feel that I should say a few words on their behalf.

I am in accord with the resolution moved this afternoon by the hon. member (Mr. Casgrain) but I would have liked to have seen it phrased in broader terms. He should have made his resolution apply to coastal water generally. The situation facing the fishing industry is serious. In Cape Breton we are confronted with the interference of outside fishermen and the high price of bait.

Only to-day I received a letter from a fisherman in my constituency complaining about the Newfoundland fishermen coming into Antigonish and other ports on the northern coast. These men catch and clean their fish outside and then come into our ports to salt their catch, and they interfere with the rights of our own fishermen.

Another very serious question is that of bait. These men want cold storage facilities provided in Cape Breton. There is one plant there already, one-third of which is owned by the government, but it has been leased to a private concern and our fishermen cannot obtain their bait at reasonable prices, and this is causing great distress at the present time. The price of bait asked by the local firms is so high that the men cannot afford to buy it, and there are no cold storage facilities provided for the storage of their own bait. It would be of great assistance to the fishermen if they could obtain their bait at a proper price.

The lack of markets is a great problem, and I agree with the hon. member for Cape Breton South (Mr. MacDonald) that Canada should provide a market for our fish. I do not desire to say anything detrimental to the cooking abilities of Canadian women, but I contend that they should be educated in the use of our fish. An attempt has been made to educate Canadians to use coke instead of foreign coal, and similar education could be carried on in connection with our fish. The women of Canada should be taught how to use and cook Canadian fish.

I am sure that this resolution will do some good because it has provided the opportunity for a discussion of this question. I feel quite confident that the government will take such action as will improve the condition of a very important part of our population.

Hon. P. J. VENIOT (Gloucester): Mr. Speaker, coming as I do from a county where over half of the population earns its livelihood by fishing, I think I should be lax in my duty if I allowed this opportunity to pass without saying a word or two, even though the resolution pertains only to the province of Quebec. I regret that the hon. member who introduced the resolution (Mr. Casgrain) did not make it dominion-wide. He bases his resolution on the fact that the province of Quebec, which administers its own fisheries, is not now in a position to give the required assistance to the fishermen of that province, and he asks for cooperation between the governments of the

province of Quebec and the Dominion of Canada.

I regret that this resolution has been taken as an excuse for political discussion, but since it has drifted into the realm of politics, may I point out to hon. gentlemen opposite from the province of Quebec that Nova Scotia, New Brunswick and Prince Edward Island do not administer the fisheries of their respective provinces. If the fact that the government of Quebec has jurisdiction over its own fishermen has brought about chaos, as my hon. friend attempts to show, what must we say of the last two or three years of the administration by the federal government of the fisheries in the three maritime provinces?

I am not going to lay upon any government the blame for the depression in the fishing industry. During the last two years especially, the fishermen of Nova Scotia have been repeatedly asking the federal government, and rightly so, to come to their assistance. Even when times were good, even from 1926 to 1929, Nova Scotia and New Brunswick as well as Prince Edward Island fishermen appealed to the federal government for greater encouragement. Why? Because, owing to the greater development of the fishing industry in European countries, we could not get the markets that we previously had. For that reason the governments of the three maritime provinces took upon themselves the responsibility of appealing to the federal government, even under the Duncan report, to do something for the fishermen. Therefore I take it that the condition existing in Quebec to-day is not because of the fact that jurisdiction over the fisheries in that province was transferred to the provincial government in 1922.

Having said that much about the political aspect of the matter, may I be permitted to draw the attention of the house to the fishing industry in the maritime provinces, and especially in New Brunswick. I am not doing this in order to criticize the government of the day. I firmly believe you cannot attribute present conditions in the fishing industry in New Brunswick to the government of the day or to any other. As I have explained before, circumstances have arisen which have placed our fishermen in a position which renders it very difficult for them to make a livelihood as they did in former years. But there is one thing which governments can do in the matter of regulation for the conservation of the fishing industry. In mentioning that point, may I call the attention of the government to the regulation governing lobster fishing? For years and years there has existed in New Brunswick a regulation which divides the province into different fishing seasons of lobsters. For instance, there is an imaginary line drawn from Ste. Anne in the county of Kent to Cape Tormentine. Under the regulation establishing those limits lobster can be fished in that section in the fall of the year. Many fishermen further north in Ste. Anne du Bocage claim that line should be extended to include the whole north shore and that the spring season should be abolished.

What are the conditions? In the counties of Kent and Westmorland, lobster fishermen can fish in the fall of the year, I think from August 15 to October 15. What happens? The fishermen in Kent and Westmorland west of the dividing line, during the spring season of fishing north of that line, go up into Northumberland, Gloucester and Restigouche and fish during that season. Then when the spring season is over, they go back to their homes and fish during the fall up to the 15th of October. In this way they have two fishing seasons whereas our fishermen north of the line, as far north as Restigouche county, have only the one. There is at present a petition before the Department of Fisheries requesting a change in the fishing season in the nothern section of the province, and I hope the department will consider it very carefully. I am told that owing to scientific reasons the date should not be changed; that if we change the date, we may contribute to the rapid destruction of lobsters in northern New Brunswick. Storms in northern New Brunswick during the winter have caused more destruction to the lobster industry that lack of proper regulations. During the storm in the latter part of December of last year, it was estimated that 100 tons or more of live lobsters were driven ashore in the gulf of St. Lawrence on the island of Miscou, Shippigan island, the mainland of Shippigan down as far as Tracadie beach. These lobsters died on the beach. I am not saying that the government should establish a regulation to prevent such an occurrence, but I wish to point out that nature at times causes more destruction to the lobster industry than any lack of regulation.

We know there is poaching, and if there is poaching in any line of the fishing industry it is in regard to lobsters. Education is required to teach those people that they should give up poaching. There is no doubt they will give it up in the very late season, but between seasons, from the middle of June to the middle of August, is the period when the regulations should be strictly enforced, because it is the time in that section when the lobster sheds its shell and, and so to speak, takes on a new dress. But between

August 15 and October 15, the lobster shell is just as hard and firm in the waters of northern New Brunswick as it is in the section of the province where the fishermen are permitted to fish during that period. I would ask the present Minister of Finance (Mr. Rhodes), who was formerly Minister of Fisheries to extend to the present Acting Minister of Fisheries (Mr. Duranleau) his knowledge of the situation and not to give too much heed to the theorists, who, calling themselves scientific men, are preventing the fishermen of northern New Brunswick from earning an honest livelihood.

Another question touched upon by the hon. member for Queens-Lunenburg (Mr. Ernst) was that of salted fish. I am in full accord with him on this subject. It is absolutely necessary in these trying times of depression that we should give more encouragement to our fishermen. I do not believe in a bonus, but as the hon. member for Queens-Lunenburg said this afternoon, if that is the only means which this government can devise to help out our fishermen, I should be willing to support it. We have been asked to give our support to a bonus to help the farmers of the west, and I willingly and cheerfully agreed to that because it was pointed out to us that that was the only way in which those farmers could be helped at that time. We have also given a bonus to the coal industry in Nova Scotia, and with that I also agreed. Now we are asking that some encouragement be given to an industry which to my mind is greater even than the mining industry in the maritime provinces. Our fishemen by the thousands and hundreds of thousands are suffering to-day because they cannot get a proper market or a proper price for their fish, and if there is no other way to help them except by a bonus, if they cannot obtain the markets which formerly gave them a reasonable living price for their products, then I would agree to a bonus of so much to each fisherman; or perhaps one way to help would be to assist in the construction and maintenance of the vessels that are used in carrying on that business and which cost so much.

I am not going to discuss to-night the salmon branch of the fishing industry, because I dealt with that last winter, and the one reproach that I have to make to the Minister of Fisheries of that day—

Mr. RHODES: Only one?

Mr. VENIOT: Only one. My one reproach is this: He promised that he would come and visit our salmon nets last summer and see how our fishermen laboured to catch the salmon, and he did not keep that promise. I know he was a busy man, but he was not too busy, Mr. Speaker, to spend a day or two on the Restigouche. He was not too busy to enjoy the hospitality of those American gentlemen who to-day are claiming that they should have rights over the fishermen of the province of New Brunswick. I am going to say to the present Minister of Finance that that invitation for him to come and visit our salmon fisheries is still open. He may reply: I am not the Minister of Fisheries; there is an Acting Minister of Fisheries; invite him. No, Mr. Speaker, because the present Acting Minister of Fisheries (Mr. Duranleau), when a delegation appeared before him two weeks ago, although he received us in a kindly way and was very courteous, admitted quite openly—I compliment him upon his frankness—that he knew absolutely nothing about salmon or fishing, not even about the casting of a line. Therefore I want somebody to come on the spot who knows something about angling.

Mr. SWANSTON: You know all about firing postmasters.

Mr. VENIOT: I have fired postmasters, but I have never fired one-tenth of the number that have been fired since your party came into power; and I am not blaming the Postmaster General for doing the firing but those hungry Tories at his back. I am a little surprised, Mr. Speaker, that on a question of this importance the hon. member who interrupted has nothing more to say than that. I am sure his constituents would be pleased if they saw that he had once stood on the floor of this house and delivered a sensible speech that would be reported in Hansard, instead of interrupting hon. members who are trying to do their duty in this house.

I am not going to take up the time of the house further, except once more to draw the attention of the Department of Fisheries to the petition that is now before them touching the change of date in the lobster fishing in the northern section of New Brunswick.

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): I shall try to be brief in my remarks, Mr. Speaker. The discussion on the resolution has been going on for some time; I never thought it would be so lengthy. The consensus of opinion among the members of the house seems to be in favour of the adoption of this resolution and I am pleased that both members from the maritime provinces and members from the province of Quebec on the government side are willing to support my motion.

There is one thing I should like to point out, however. Although the hon. member for

Dorchester (Mr. Gagnon) has discussed this question in the way he has, and launched upon an attack against what he called the bad administration of the fisheries in the province of Quebec due to the fisheries having come under the control of the provincial government in recent years, he seems to be not quite in accord with the Minister of Finance (Mr. Rhodes), who this afternoon stated that nothing had been taken away from the fishermen of the province of Quebec, because they had still the right to avail themselves of the various provisions that are on our statute books, such as the federal grant of seventy-five per cent for refrigerators for bait, and the regular grant of thirty per cent for other refrigerators which are necessary for fishermen. The difficulty is—and it is the reason for this motion—that the fishermen in the province of Quebec, and more especially on the north shore of the river St. Lawrence, are in a very unfortunate situation at the present time, having had a poor catch of fish for the last few years; therefore they are not in a position to avail themselves of any such grants or to contribute in the proportion which the law requires before they can obtain these refrigeration facilities. The consequence is that last year and the year before the provincial government has had to do practically everything on its own account in the way of establishing these refrigerator plants on the north shore of the river St. Lawrence in my county. As far as other laws on the statute book of which fishermen might take advantage are concerned, they are not in a position to do so, and since the administration of the fisheries was entrusted to the provincial government in 1922, it has had to do everything on its own account. The revenues derived from the fisheries by the provincial government, I am informed, although I have not exact figures, amount to hardly one per cent of the amount which the provincial government is spending nearly every year on the fisheries of the province, which is $300,000. When the provincial government was entrusted with the administration of the fisheries in 1922, it was due to the fact that it was desired to avoid the difficulties that had prevailed before with respect to licences in interior waters and also in deep and salt water down the lower part of the gulf. That is one of the reasons why the provincial government took over the administration of the fisheries as they stood within the limits of the province of Quebec. Now if the administration of the fisheries by the government of the province of Quebec has been bad, although my hon. friend from Dorchester claims that the blame should be laid at the door of the provincial government, surely the same blame should be laid at the door of this federal administration when we find conditions obtaining in the maritime provinces as they have been represented by the hon. member for Gloucester (Mr. Veniot). Conditions there do not seem to be much better than in the province of Quebec. If the federal administration did not do well in turning over to the provincial government the administration of the law, not the rights of the fishermen, as was suggested by the hon. member for Dorchester, I say, Mr. Speaker, that this government is here to settle all ills. They were elected to give better and more efficient administration, to settle all existing difficulties, to bring back prosperity, happiness and plenty to all. As I have said, I am merely asking that they give the necessary help to the province of Quebec, and I have given my reasons.

I wish to touch upon another point—and for this reason I hope hon. members will hear me a few moments more. The hon. member for Dorchester says we have been absolutely silent for the past eight years, that nothing has been done since the administration of the fisheries was turned over to the government of the province of Quebec. I was not a member sitting for the county of Saguenay on the north shore of the river St. Lawrence when the administration of the fisheries was transferred to the provincial government of Quebec. I was then sitting for the county of Charlevoix-Montmorency. In that district there were not very many fishermen, and the conditions affecting the deep sea fisheries did not obtain there as they do now on the north shore of the St. Lawrence. Since the year 1926 I have represented in this House of Commons the county of Saguenay on the north shore of the river St. Lawrence, and have been deeply interested in the fisheries. I have been working much more than my hon. friend from Dorchester would lead the house to believe. If he were to refer to the royal commission which investigated the fisheries of the maritime provinces and the Magdalen Islands he would find that on March 20 in the year 1928 the hon. member for Charlevoix-Saguenay appeared before the commission and presented a brief in the interests of the fishermen along the north shore of the St. Lawrence. At pages 85 and 86 of the report of that commission, issued in the year 1928, my hon. friend will see that the commissioners took cognizance of certain remarks that I made at that time in the interests of the fishermen in my constituency. I shall not take the time to read all the comments contained in this report,

because there are many paragraphs which might not be of interest to all hon. members. There are certain points however to which I think I should direct the attention of the house. At page 86 of the report I find the following:

> In marketing the fish products of the Gaspé peninsula and the north shore of the gulf of St. Lawrence, most of which is without railway communication, and is completely isolated during many months of the year, shippers have to rely upon subsidized steamship services performed under contract by the Clarke Steamship Company.

Then, further on in the report I find the following:

> Accordingly, there is a demand for improvement in the service performed by the Clarke Steamship Company. We recommend a consideration of the existing contract with the view of affording to this section of the country more adequate transportation facilities.

Mr. Speaker, this is a matter entirely within the jurisdiction of this parliament and the Department of Trade and Commerce. Following the report to which I have referred endeavours were made successfully to secure an enlargement of the subsidies so that adequate facilities, such as refrigeration services in the boats of the Clarke Steamship Company, might be had on the north shore of the St. Lawrence. I am told that such service was extended to the boats of the same company plying between Quebec and the Gaspé peninsula.

I find in the report the further paragraph:

> Railway freight and express rates are also complained of in that portion of the Gaspé peninsula which has railway connection.

Railway facilities are under the control of this parliament, and are matters of which this government should take cognizance. In the report a further request was made for harbour improvements or shelters for shore boats on the Gaspé peninsula. At the same time I appeared before the commission, I mentioned that such facilities should be afforded to people along the north shore of the river St. Lawrence.

If hon. members in this house or people outside the house would look at some of the estimates tabled in the years 1928, 1929 and 1930, they would surely find out that your humble servant has not been remiss in the discharge of his duties, because on many occasions I was rebuked by hon. members who then constituted the opposition, and was taken to task even by some members in my own party, because I was asking for too many improvements, such as wharf accommodation, dredging, and harbours, to benefit the fishermen on the north shore. The government implemented part of this report of the commission by paying attention to some of the requests made and by improving facilities at many points along the north shore. That is true more especially at a place called Tunday river, where a wharf was needed, and at Bredor Bay, near Labrador, where similar work was necessary. Many little harbours and breakwaters have been built to help the fishermen, and to implement the report made by this commission.

There is another paragraph in the report dealing with matters which might well be developed by the Department of Fisheries in the province of Quebec. I refer to the grading and inspection of fish, the establishment of a technological and biological laboratory for experiments, the institution of a bureau of information, a scientific study of the oceanography of the river and gulf of St. Lawrence, the migration of the different species of fish, the making of fishing charts, the adoption of a policy of subsidies for cold storage plants, fish canning factories, drying establishments and reduction plants. I think the provincial government in Quebec, which now looks after the administration of laws concerning the fisheries, has begun to deal with the matters here mentioned in the report. As I stated previously the amount required from year to year is far greater than the province of Quebec can afford to spend. The need is always increasing, and there is the added reason that in the years 1930 and 1931, the catch has been small along the north shore of the St. Lawrence. A large amount of the money which might have been divided to help the services mentioned in this report was given by way of subsidy or relief to the people along the north shore of the river. That was the condition obtaining before the relief measures were passed two years ago in this House of Commons.

So, Mr. Speaker, although hon. members opposite may want the country to believe that the hon. member representing Charlevoix-Saguenay has not discharged his duty, it is quite clear they are not stating the facts. Since I have represented that constituency I have given my best attention to the needs of the fishermen. If in the years 1929 and 1930, the government was not approached to secure the relief now described in the resolution, it was because conditions at that time were not so bad. Our markets had not been closed, and the fishermen were in a position to dispose of their product at reasonable prices. To-day they are in a much different position, and it is for that reason this resolution has been introduced before the house.

This afternoon I was pleased to hear the hon. member for Queens-Lunenburg say he was going to take this matter up with the government with a view to helping the fishermen. Apparently three remedies were suggested. The first was a bonus to be given to the fishermen; the second, trade treaties, and the third, the stabilization of currency. If some of those remedies could be applied, fishermen not only in the province of Quebec but also along Atlantic and Pacific sea coasts would receive some benefit.

If we are soliciting federal assistance, it is so that there may be established on the coast of Gaspé, and possibly on the north shore of the St. Lawrence, biological and experimental stations from which the fishermen would be able to obtain information required, such as meteorological reports. Such reports should be printed in the French language. May I call the attention of the house to the fact that two-thirds of the fishermen in the province of Quebec are French, and they cannot take full advantage of all the valuable work that has been done at the biological stations if the results of that work are not translated into French. These stations are far away, and the fishermen cannot go to St. Andrews and Halifax from their own towns or villages on the north shore of the St. Lawrence in order to obtain information. I have in my hand a letter which I addressed last year to the Department of Fisheries, asking for a number of publications which I thought might be of interest to the fishermen in my district. I found that the French edition of a pamphlet entitled "Dried Cod Fisheries" was almost exhausted. Who is to blame for that?

These things should not be allowed to go on if we really want to help the fishermen in Quebec. Measures should be taken also to develop our fish trade more than it has been developed in the past. This might be done by reducing the cost of transportation and creating local markets for our fresh fish. If this were done it would be of great help to the fishermen in my constituency.

I did not introduce this resolution because I wanted to play politics at all, as the hon. member for Dorchester suggested; I did not bring up this matter at the request of any person in the provincial government. As I said in my opening remarks, a similar resolution was adopted by the provincial house, after being introduced by the local member for my county, and I thought it behooved me to lay the case before this house with regard to the fisheries of Quebec. I think a bonne entente might be arrived at, and by cooperation and conference between the two governments the little troubles that have existed in the past may be ironed out and we might start anew in order to help the fishing industry in Quebec as it should be helped.

Mr. RHODES: I suggested to my hon. friend that while his resolution was not unacceptable to the government in its present form, it would be more acceptable if he amended it by substituting the words "the greatest possible" for the words "a greater" in the third line.

Mr. CASGRAIN: I have no objection to amending it in that way if it will then be acceptable to the government.

Mr. RHODES: It will be quite acceptable.

Motion (Mr. Casgrain) as amended agreed to.

NATIONAL HEALTH

PROPOSED PROVISION FOR MEDICAL EXAMINATION AND MEDICAL RELIEF

Mr. J. P. HOWDEN (St. Boniface) moved:

That, in the opinion of this house, the government should take into immediate consideration steps which would: (a) provide for periodic medical examination of the Canadian people; (b) afford medical relief for those suffering from disease.

He said: Mr. Speaker, without casting any reflection on the debate that has just concluded, one might mention in passing that it has been rather fishy. I hope the subject I seek to place before the house to-night will not bring out any political arguments but that the attitude of last year will be the attitude of this year also.

Last session, Mr. Speaker, it was my privilege to present to this house a resolution similar in principle and meaning to the resolution I am moving to-night. It was very well received, generously considered and not unsympathetically criticized. Of the seventeen members who spoke to the motion all but three either spoke in favour of the resolution or of the principle which it sought to establish. The right hon. Prime Minister (Mr. Bennett), however, opposed the motion and stated at some length his reasons for doing so. He said it was a purely academic resolution, and with that statement I have no great fault to find, unless the right hon. gentleman meant to infer that the idea could have no practical application. If that was what he meant, of course I do not agree, because my purpose in bringing the matter before the house was not to precipitate a highbrow debate, but

rather in the hope that some time Canada would adopt a measure of public medicine which would assure the people of this country of succor and relief in times of ill health, and as far as possible immunity from disability caused by disease.

At that time the Prime Minister stated that probably the greatest objection to the resolution was that it would wipe out medical service as it existed at the present time and would completely eliminate private enterprise in medicine, thus destroying the initiative of medical men. He did not say so at the time but I rather fancy he meant that this would occur quickly. I had no idea that my innocent looking resolution might become such a force for disruption and revolution, but not wishing to abandon what I considered to be a good cause I have brought forward the resolution again to-night in a form which I hope will be more acceptable to the government.

This is quite an important matter, Mr. Speaker, and it deserves a fair amount of consideration. I understand quite a number of our members wish to speak to the resolution, if possible, so in order to set forth the situation as clearly as possible I should like to refer quite freely to the written text I have before me.

It would seem rather anomalous that we should try to preserve and prolong life in Canada at this time when, if it were not for relief measures instituted by various governments, we would have many thousand of our people underfed, hungry or actually starving. It might be said that the more rational procedure would be to find some means of quietly doing away with about one third of our population, that is, that part which has no visible means of support. Thereby we would summarily and effectively dispose of that sorely vexing question of unemployment. Something of the same idea is hinted at by Sir Andrew Rae Duncan and one of his colleagues in a report I have before me. This report points out the somewhat antagonistic interests of the individual and the state in a time of illness. Each time a sick person recovers it is but against the time he will sicken again and further burden the state. If in the meantime such person has been the means of begetting other life, and the offspring, like the parent, be of inferior mental and physical stamina, also subject to illness and requiring an undue amount of care and medical attention, the state in rendering the service which saved the parent has thereby largely added to its own responsibility and expense, and in the report the wisdom of this is mildly questioned. Were it not better to let the fittest survive and the devil take the hindermost? There is a good deal to be said in support of this, Mr. Speaker. Such a principle obtains in the life of all wild species and all primitive or aboriginal peoples and when given a reasonable show they seem to do pretty well. Since fewer would survive there would be less unemployment, and since chiefly the stronger would survive it would be the means of building up a strong and virile nation and perhaps saving us a good deal of trouble and expenses. In the history of civilization there was a time when imbeciles and other subjects of hopeless infirmity were smothered, drowned or whatnot, but fortunately, or otherwise, civilization has advanced to the stage where such procedure is no longer practised, where each individual human born is accorded a right with his brother to survive and afforded the same opportunity to a fairly substantial degree. Probably it is just as well that it is so, Mr. Speaker, for by some strange turn of fate the ugly duckling becomes a handsome drake; the puniest member of a flock or litter lives to outdo the more thrifty members; undersized, delicate children often become sturdy specimens of adult life, and on the other hand the world's greatest accomplishments in art, science, literature, in commerce and in war have been achieved in many instances by men of frail make-up, at times the subject of wasting disease and altogether below the average in ordinary physique. It would almost seem that the frail form is given the better brain by way perchance of compensation.

Therefore civilization and society being as they are, we must adopt the only alternative and endeavour to modify our social structure so as to minimize unemployment on the one hand and eliminate as far as possible the existence of disease and the causes of defective manhood on the other. In the last session of parliament, Mr. Speaker, I had the honour to present to this chamber a resolution reading:

> In the opinion of this house a measure of federal state medicine would be in the best interests of the Canadian people.

On that occasion it was suggested that the wealth of any land could be obtained by labour and labour only, that efficient labour could be the product of only a sound body, that therefore the wealth of a nation depended on the health of its citizens and that as Canada was a land of stern realities only those of strong physique and stern resolve could hope to prevail. But, Mr. Speaker, we are not all strong

in either body or mind. Unfortunately a very large number are defective either mentally or physically or both, are either chronic invalids or rapidly succumb to illness and become a government charge or a burden to their relatives. Under the heading "Canada is at War" the Canadian Social Hygiene Council issued a pamphlet containing some facts which the house would do well to consider. Let me quote:

Every year thousands of Canadians die of diseases which could be prevented.

It then asks a pertinent question:

Why are these diseases not prevented?

It states further:

During centuries man has acquired the habit of regarding disease as unavoidable. To-day the average man—even the average statesman—retains that medieval attitude. Leaders of the people must come forward to save the thousands of Canadian lives that are lost every year through diseases which could be prevented if a nation-wide organized effort were made to prevent them. Most splendid work is being done by health departments in various parts of Canada. The following facts and figures will show that their work must be united in a great national offensive against the common enemy—disease—which is silently and undramatically wasting our lives and our money. Canadians have shown how they can fight against a human foe. Disease is in our midst—a far more dangerous enemy. In organizing to fight it we have everything to gain and nothing to lose. But we must develop in the minds of our citizens a sense of individual responsibility if nation "health-mindedness" is to be achieved.

It would appear that one person out of three dies ahead of his time of diseases that could be prevented. Canadian statistics dealing with sickness indicate that over half of all disabling illness could be prevented!

Sound, authentic estimates show that from two to three per cent of the population is continuously on the sick list. Of these, between 91 per cent and 96 per cent are ill enough to be disabled. So that about two per cent of our population is always too sick to work.

Public health officials agree that sickness costs the people of Canada over $311,000,000 a year. Almost nine-tenths of this is a direct charge upon the individual.

Later on the report, dealing with diphtheria and other diseases, states:

Diphtheria has killed 1,200 Canadians—mostly children—in a single year. Yet the toxoid treatment against diphtheria, if applied in a nation-wide drive against this disease, would completely wipe it out in a very few years.

Typhoid fever takes 1,111 lives annually. Yet during the Great war not one Canadian soldier died of typhoid. This is one of the most readily preventable of diseases. During the war, the authorities protected the lives of the troops by means within the reach of everyone. Are Canadian lives less valuable in peacetime?

[Mr. Howden.]

Tuberculosis destroys about 7,764 Canadians every year. Yet with proper health machinery, it could be absolutely eliminated.

Cancer ends 7,912 Canadian lives every year. Periodic health examination frequently reveals this terrible destroyer in its incipient stages, when there is an excellent chance of curing it. Universal periodic health examination would make the cancer death rate dwindle sharply. The public must be led to conserve health by adopting the physical examination scheme.

Heart disease is responsible for the staggering total of 11,775 deaths a year in Canada. Periodic health examination frequently reveals the causes of heart disease, or the disease itself in its early stages.

Maternal mortality—1,295 mothers die each year in child-birth. Proper prenatal care would reduce this appalling total.

Venereal diseases—Canada's successful attack upon these diseases points the way to success in dealing with others. Thanks to a nation-wide, well-organized and perpetual campaign against venereal diseases, recent surveys in Toronto and Winnipeg showed that these cities have the lowest incidence of venereal diseases of 17 cities in which similar surveys have been made on this continent. These rates will be still further reduced when the public attitude towards all diseases has been modernized by proper education and leadership.

At this point I would appeal to the Minister of Pensions and National Health (Mr. MacLaren). I understand that the dominion grant to the provinces has been discontinued. It has been the custom, for a number of years now to make a grant of some $200,000 a year to be divided among the various provinces to aid them in fighting the venereal evil. I have just quoted the results of this fight in Toronto and Winnipeg, and certainly they have been amazingly successful. This year apparently the government does not feel justified in making the grant. The discontinuance of the grant is a very, very serious matter, and I appeal to the minister and to the government as a whole to continue the grant for another year. The pamphlet continues:

There is one solution. Periodic health examination—a periodic and thorough overhauling by a competent physician. To induce people to adopt this solution is a task demanding prompt and constant attention of health authorities, thoughtful citizens, and statesmen.

Disease strikes from coast to coast. It is a national menace and combating it a national problem. Dominion leadership is needed, because at present there is no uniformity of health management. In some places health is well safeguarded, in others, deplorably neglected. Cooperation between the dominion and the provinces in a concerted attack upon venereal disease has proven the value of maintaining a united front against disease. Not until this unity is achieved in attacking all diseases, can we expect a rapid change in the present unsatisfactory disease and mortality rates.

This brings me to the pith of my argument, which is that Canada should institute, either federally or with the cooperation of the provinces, a periodic health examination of the citizens, yearly or as often as may be found desirable, and that all illnesses discovered at such times or at any time should receive intelligent medical attention and treatment. I am willing to admit that this is a big order and there are many difficulties in the way. There is first the constitution, and it seems as though this can do or undo whatever the government in power may desire, and the people of Canada have nothing much to say. The men who made it have all passed on and I doubt if they are greatly concerned about the Canadian people at present. Meanwhile, we are here trying to live useful lives and to see that the greatest good for the greatest number pertains. If any government wished to provide periodic health examinations and sick treatment for the Canadian people, they could very soon find a way, the constitution notwithstanding. After all, parliament is all-powerful.

The matter of expense is preeminent. As stated before, the estimated cost of sickness in Canada is $311,000,000 annually, no doubt largely a direct charge. Even at that, many sick persons receive poor or indifferent attention while others are charged unfair and exorbitant fees. Many of those in remote districts are not able to receive professional treatment at all. The Endicott Johnson corporation, an American manufacturing concern, has a medical system by which it supplies complete medical care for its 16,000 workers and all their dependents. The cost of this service is $400,000 annually, one and one quarter cents per pair of shoes turned out. The service must reach at least 30,000 souls, and it is extended to cover every medical attention from infancy to old age. The staff consists of twenty-seven whole-time physicians and includes one general surgeon, one eye specialist, two throat and nose specialists, one pediatrist or child specialist, three dentists, two pharmacists, one masseur, one X-ray technician and fifty-one trained nurses. They have also maternity hospitals, an isolation hospital, chemical and bacteriological laboratories and a convalescent home. It is hardly reasonable to compare a service of this kind with a system of state medicine where the cost might be greater or less, but supposing it was one-half greater, say $180,000,000 yearly, Canada's health bill would still be far below the estimated cost of $311,000,000 and certainly the benefits to be derived would warrant a greater cost than we have at present. Let me enumerate some of these benefits.

At present there are in Canada several thousand regularly qualified medical men and many other so-called doctors, in all probably a greater number than is actually required, many being of doubtful value or benefit. Under state medicine there would be just as many doctors, nurses, masseurs and druggists as were actually required and practitioners of doubtful value would be eliminated.

At present there are in many towns and cities more doctors than are needed, while many rural communities are entirely without medical service. Under state medicine every community would be part of some health district and the service would reach every family in the land.

At present doctors are competitors of each other and economic pressure makes professional ethics farcical and impossible, largely to the cost and undoing of the patient. Under state medicine there would be no need for ethics; professional cooperation would predominate.

At present doctors in general are poorly paid, fees are irregularly collected and the financial interferes constantly with the professional side. Under state medicine doctors would be paid suitable salaries commensurate with their ability and work. They would strive to secure advancement and would not be harassed with the anxiety of ill-health, a penniless old age or lack of income. These matters would be taken care of by the state.

At present the medical profession thinks the rich and well-to-do should pay for the services rendered to the poor, but the rich resent being penalized in this manner. Under state medicine all men, rich and poor alike, would receive the best we have to offer.

At present the people consult physicians only in the instance of a known or obvious ailment and often when the disease is well established. Under state medicine preventive medicine by periodic health examination would overcome this evil and would supplant largely the system of curative medicine now pertaining.

At present consultations with specialists are expensive and frequently too long delayed. Under state medicine consultations would be free and there would be no cause for delay. Suspected cases of cancer, tuberculosis, and so on, could be promptly diagnosed and given a chance of recovery.

At present people spend millions yearly in self-prescribed and counter-prescribed medicines, often of no value. Under state medicine there would be no patent medicines, nostrum or other drug traffic.

At present the medical service is hindered by lack of public confidence, the economic interest of the doctor and the patient being largely opposed. Under state medicine the economic interest of the doctor and the patient would coincide and the service would give full confidence.

At present surgery is often employed only as a last resort and is denied the chance to do its best. Its use is denied to many because of the fees demanded, while others refuse it because of suspicion of the surgeon. Under state medicine surgery would be used where indicated and without delay because there would be no suspicion on the part of the public.

At present owing to lack of official control of surgeons and other specialists, a large number of unnecessary and more than poorly performed operations are carried out, with a much larger death rate than should be the case. Under state medicine no incompetent man would be allowed to operate.

Mr. SPOTTON: Who will decide?

Mr. HOWDEN: The decision probably would be in the hands of a suitable board who would allow only such men to practise as were found to be fully qualified.

At present under haste in delivery, lack of proper knowledge and occasional contact with intercurrent infection causes the untimely death of many hundreds of mothers yearly. Under state medicine a woman would be delivered in a well-equipped lying-in hospital where no contact with other infection could occur. The work would be done by a specially trained obstetrician and haste would not be a factor.

At present a doctor who is once qualified and licensed has a free hand to practice medicine as he likes. He may be negligent, reckless or utterly behind the times and still continue to practise with impunity. Under state medicine his work would be supervised by a board of examiners and he might be retired from the service because of ignorance and incompetency. He would not only have to pass his examinations but he would have to maintain his standing or drop out.

Lastly, at present any physician can announce himself as a specialist without having taken special training. Under state medicine no one would be permitted to pose as a specialist without first satisfying the board of examiners as to his qualifications.

These, Mr. Speaker, are some of the advantages to be gained by a system of state medicine. They by no means exhaust the list, but others are more or less intricate and technical and not of a nature to appeal to the chamber. I would, however, pause to say that the greatest benefits to accrue are that sickness would be largely nipped in the bud; that hundreds of cases of unsuspected, incipient or criminally hidden disease would be brought to light; that all would receive the best treatment and that the great mass of citizens who desire to pay and who do pay their way in life, would not be faced on every occasion of sickness in their homes with a money outlay that might cripple them financially for months or even years. A prominent doctor in Winnipeg said to me a few days ago that sickness caused an almost impossible expense, even in a doctor's home, where there are no doctor's bills to pay, and from this remark one can readily appreciate the position where a family is faced with a bill for medical attention in addition to other expenses.

I have no wish at this time to estimate the cost of illness, but I would venture the opinion that each birth in a family of moderate circumstances entails an expense ranging from $100 to $300; that a laparotomy, meaning an abdominal section, means an expense ranging around $500, and that few protracted cases get away with an expense of less than twice that amount. The disadvantages are of a dual nature: first, the difficulty, though not a very serious one, of divorcing people from the use of a family doctor; and, second, the difficulty of finding the best or even a satisfactory method of applying the principle. In the first case not much need be said. Family doctors are like family preachers. For one reason or another they are changed from time to time, and in the case of doctors, often by the family itself. If the Canadian people of either high or low degree find that they are being given careful, courteous and intelligent service, they will soon overcome their aversion to not having always the same family attendant. On the other hand, the more fastidious can always retain one man by prearrangement or some slight extra expense.

The second matter is not so easy of manipulation. It is not part of my responsibility in presenting the resolution to submit a plan of practical application. Parliament, as we are frequently told, is all powerful when its members are in complete accord. It is the business of the government to evolve means of applying principles adopted by the house, and I think a way can be found which could be worked out on a provincial or a federal, or, as with old age pensions, on a provincial and federal basis, preferably the latter. In any case there would have to be statutory legislation from the dominion house so as to create a uniform national system. Indeed, parliament

would have to do no more than create the machinery, the operation of which could be left to the provinces. In such a case, parliament would have to pay the cost or at least contribute a portion. Since parliament has power to collect taxes from any source or by any means and to allot them to whatever legal use seems wise, there should be no difficulty in this regard.

In discussing a similar resolution last session, the Prime Minister stated that to give practical application thereto would mean to sweep away at one stroke all existing medical service. Nothing was further from my thoughts. I claim that parliament, at a comparatively small cost, can provide for a periodic health examination of all the Canadian people, and, further, can furnish succour and medical aid in time of sickness without disturbing present conditions to any great extent. That the movement would ultimately eliminate present-day forms of service, as stated by the Prime Minister, and bring about a system by which the state would become the employer and the doctors the employed, I venture to hope and believe. The hon. member for Medicine Hat (Mr. Gershaw) stated in last year's debate that this effect would slowly come about by an extension of existing service units, but why wait for this in the face of the unsatisfactory condition existing at present? The health of the general public is one of the prime objects of statecraft, and the securing of it is the duty of all.

If I may for a moment revert to the Prime Minister's remark on the occasion of the previous debate, I should like to say that after carefully reading his observations I decided that they hinged on three points of objection. The first was that the application was almost overnight. It seemed to me the objection was there would be a sweeping change from the present system of medicine to one whereby the state would become the employer and medical men would become the employees of the state. As a matter of fact, I cannot see any great reason why such a condition should not be brought about. That is really the idea of the resolution. But that such a condition could be brought about suddenly is very improbable, practically impossible and certainly most undesirable. A sudden change from one system to the other would undoubtedly cause a great deal of confusion, much unfairness to medical men throughout the country and probably a very poor service for a while. There is, however, no danger of such a change being brought about suddenly. My suggestion would be just to initiate a measure somewhat along the lines of the compensation board legislation, and I think the Prime Minister would see the people taking to it, as they say, like a cat to milk. If we can just make the start, the opening, I do not think we would have much trouble in educating the people to state medicine which would give them very much better service.

The second point was the destruction of medical initiative, destruction of the incentive that causes medical men to strive to excel in their work and lives. I wonder whether the Prime Minister knows that in most of the great European centres the men who have done the best work in research and who have blazed trails in medicine, pathology and surgery, the men who have accomplished the greatest successes, have quite frequently been so poor both before and after their successes that they have not been able to afford the ordinary comforts that obtain in the home of an artisan.

Not so very long ago I was talking to another medical man in Winnipeg who had just come back from a post-graduate course in Europe. He told me that he and a number of other men who were taking the same course one day were on their way to the hospital where the clinic was being held when they saw the man whom they expected to lecture to them in a few moments, trudging along the street carrying a parcel. They later learned that this man, although he worked about twelve hours a day at surgery, was a writer of some note, and was one of the most successful operators in Vienna, was actually too poor to take a tram and that he carried a lunch of bread and cheese to work every day. Just imagine one of the foremost teachers and operators in Vienna, probably in Europe, walking to work and carrying his lunch! I wonder whether the right hon. gentleman knows that an army officer, Ronald Ross, of the Royal Army Medical Corps, while receiving but small pay, discovered, by his initiative and effort alone, the cause of and freed the west coast of Africa from a disease that had rendered it well-nigh uninhabitable. Another officer of the British army, also on low pay, Leichman, during the South African war initiated research and developed a vaccine for typhoid fever which he perfected during the war, and so rid the army of this scourge which was killing the soldiers by the hundreds.

Here is an instance from the United States. After the construction of the Panama canal had been discontinued for over twenty years, Major Gorgas, an American army officer on small pay, went into the district and after a certain amount of investigation discovered the causative factor in the great death rate

from malaria in the canal zone. Work on the canal had been discontinued because men would not go in there and face the tragic death rate from malaria, but Gorgas discovered that mosquitoes were responsible for the transference of the malarial virus, and very soon he had treated the swamps and sluggish pools with oil and destroyed the mosquitoes, and thus made it possible for men to go in there and complete the building of the Panama canal. I mention these four instances, a noted teacher and professor in Vienna, and three humble army officers, who initiated and perfected these great works.

I do not think the right hon. the Prime Minister need have any fear of destroying the incentive to medical research. I do not believe that either he or all the legislators in all the legislatures and parliaments all over the world can ever destroy the initiative and incentive to medical research which springs from the desire of truly great men to learn the truth so that they can serve their fellow men.

The third point which the Prime Minister raised last year when a similar resolution was under discussion was that neither the doctors nor the people were ready for such a step. May I say this? It has been calculated that the average medical man in Canada and the United States earns an income of about $3,000 a year. Some, of course, run very much higher, some doctors earning from fifteen to twenty thousand a year, but the income of the average doctor is about three thousand dollars, and out of that he has to pay office costs, automobile expenses, and so on. In the United States at the present time the federal government employs several hundred doctors on a yearly basis. They start with a salary of $2,500 to $4,000; at the end of a number of three-year periods they are required to take examinations, and if they fail to pass they are dropped from the service a year later. If they pass the examinations successfully they eventually receive a salary of about $7,000. I think I can speak for the medical men of this country, Mr. Speaker, when I say that if they could figure on a permanent yearly salary of anywhere from $5,000 to $7,000, they would be ready to go into a salaried scheme of this kind.

The matter has been taken up by provincial governments and medical societies all over Canada. Quite recently the local medical association in the city of Winnipeg, where I grew up, and to which I largely belong, took this matter up and the local government is investigating it at the present time. The medical association of Manitoba found nothing to object to in this scheme after having investigated it, and they submitted to the provincial government a series of principles which they think ought to be followed.

I shall not detain the house by reading them. I merely wish to state that the medical association is fully in accord with a movement of this kind and would be glad to see it brought about. I should like to read again the words of the Prime Minister—

Mr. SPEAKER: The hon. gentleman's time has expired.

Mr. G. D. STANLEY (East Calgary): May I congratulate the hon. gentleman (Mr. Howden) upon his very excellent presentation of the argument from his standpoint in regard to state medicine. His resolution as it appears on the order paper reads as follows:

That, in the opinion of this house, the government should take into immediate consideration steps which would: (a) provide for periodic medical examination of the Canadian people; (b) afford medical relief for those suffering from disease.

A rather interesting application of the provisions of the first section of this resolution as applied to a legislative body may be found in the records of the legislative assembly of upper Canada back in 1810, when there was a very early application of state examination applied to certain legislators in that assembly. On March 2, 1810, they were checking up on some of the absentee legislators from the assembly. May I read the record as it appears?

March 2, 1810:

On motion of Mr. M'Lean, seconded by Mr. Gough, resolved that the Speaker be directed to order medical assistance to attend on Benjamin Mallory, Philip Sovereign, Joseph Willcocks, John Roblin, John Wilson, and James Wilson, and report the state of their health at the bar of this hon. house.

The Speaker, having put the question, a division took place; the names being called for, they were taken down and are as follows:

"Yeas—Messrs. M'Nabb, Frazer, Burritt, Marcel, M'Gregor, Baby, M'Lean, Gough, Elliott, G. Wilson, and Secord.

"Nays—Messrs. Howard, Rogers and Lewis.

"The Speaker did then order Doctors Richardson and Lee to visit those gentlemen and inquire into the state of their health, and report the same to the house as soon as possible.

"Doctors Richardson and Lee came to the bar of this house and did acquaint the Speaker that, in obedience to his orders, they had called at the lodgings of several of the members absent from this house, in consequence of indisposition, and have the honour of making a written report on the state of health of Joseph Willcocks, James Wilson, John Wilson and John Roblin, Esq's., which report is as follows:

"Mr. Speaker, we have seen and examined Mr. Willcocks, Mr. James Wilson, Mr. John Roblin and Mr. John Wilson; are of opinion from Mr. Willcocks' statement, and from his

present state, that it would not be proper for him to attend the house this day. Mr. James Wilson states that he has taken medicine this morning: but we think (if it is absolutely necessary) he might attend in his place. The other two gentlemen complain very much, but have taken no medicine. We think they might come to the house. Whether they would be able to remain, 'tis impossible to say. Those gentlemen all say they think they will be able to attend to-morrow. We are of the same opinion.—(Signed) R. Richardson, W. Lee."

Mr. Speaker, if such examinations were made of absentees from this house hon. members might find it very inconvenient. I am sure the hon. gentleman will not press his resolution that far.

The general question of the socialization of medicine is very interesting and important. When one goes back over the history of the development of scientific medicine, and the application of socializing efforts made by the state and the medical profession, one comes to the conclusion that in the present state at which it has arrived scientific medicine must not stand still. We cannot stay where we are; we cannot go back; we must go forward. The development of scientific medicine in our country must proceed; there is no question about that. In our minds the ideal condition is one when all citizens shall have available to them all that is necessary in scientific medicine to relieve their ailments. For many years such an ideal has been before our minds. In fact if we go back to the early days of history, back to the prophet Isaiah, we find he said:

> There shall be no more thence an infant of days, nor an old man that hath not filled his days; for the child shall die an hundred years old.

Since that ideal was set up progress was very slow. During the last fifty years however great strides have been taken; we have an ideal towards which we may direct our efforts. Many difficulties, with which I shall deal as I go along, stand in the way.

May I say first and foremost that in regard to scientific medicine and all that the term includes, jurisdiction rests exclusively within the realm of the provincial legislatures. Therefore to-day, despite what the hon. gentleman opposite may have said a few moments ago, while state medicine may promote an academic discussion of an educative nature that is worthy of a place in this house, legislation in this regard must rest with the legislatures of the various provinces.

I think the general statement is contained in the two clauses of the resolution now before us. Scientific medicine as we have it to-day might very properly be divided under two headings, namely preventive and curative. True, to a very considerable extent they overlap, but in a general sense the division is correct. State medicine, using the term broadly, implies that all the health activities which could be extended by the state, whether they be of a preventive or of a curative type, should be extended as a public utility. That, I presume, would be a fair definition of the term "state medicine." However, as the term is used frequently both in private conversation and on public platforms, it carries an entirely different meaning. It is almost always confined to the curative side and overlooks the preventive. Conversations and addresses from platforms would seem to imply that the state has some mythical bottomless purse from which funds may be supplied to give to the citizens everything in medicine for which they may ask. On the other hand infrequent mention is made of taxes or contributions necessary to pay for such services rendered.

Personally I am in favour of state medicine, have always said so and still say so. I refer however to state medicine following a safe and sane progressive program built upon the firm foundation laid during the years. I am not in favour of any undertaking which would ignore what the state has done in years past. I am not in favour of "kicking over the checkerboard" and entering into some mysterious experimentation, but am in favour of that which is safe, progressive and working towards an ideal.

When we consider the question of jurisdictions what do we find? The provinces in this dominion have authority to deal with any of the health activities, either of individuals, groups, organizations, societies or municipalities—in fact, all the health activities are within the jurisdiction of provincial legislation. Therefore the proposals embodied in the resolution certainly come within the jurisdiction of the provinces. Health measures undertaken by the federal government are of a restricted nature, dealing mainly with the administration of the opium and Narcotic Drug Act, of pure food laws, proprietary medicine acts, the examination of immigrants, marine hospitals, and the administration of grants given to certain eleemosynary organizations. Whether federal health activities can be extended is a matter which in a few moments we will consider.

In a general way preventive medicine, as we understand it, is almost exclusively within the jurisdiction of the state, whether it be the municipality, the province or the dominion. Preventive measures which are taken by

various health organizations, having to do with groups of individuals, belong exclusively to the state. Heretofore, speaking in a general way again, curative medicine, which is that part of medicine which brings the physician into close and intimate relationship with his patient, has been left almost entirely to the individual physician. In a very general way that has been the position in the application of scientific medicine in Canada.

What have been the activities of the state, in general terms? They have been preventive, of course, dealing with groups of individuals, with sanitation, with food and water inspection, with the inspection of schools and school children, with the administration of health regulations, with the questions of quarantine and isolation, with the administration of hospitals, with medical education, with nursing training and other activities of this nature. Last but not least it has to do with what we might call pure science in connection with scientific medicine, or in other words the scientific medical research work carried on in our hospitals and universities. I think all these can be very properly included in the activities of the state; so when we talk about state medicine I think it unfair for us to leave aside all that the state is doing with so much success and such energy and at such great cost, giving the people to understand that the state has not been doing anything and that it should launch out into a new line of activity which heretofore has not been included in the term "state medicine."

Mr. POULIOT: I am following my hon. friend very closely, and I wonder if he would be kind enough to tell us if in his province there are county sanitary units.

Mr. STANLEY: I will come to that in a few moments. The result has been that the state has specialized in removing the causes of sickness and decreasing the number of cases of sickness throughout the country, and in this work the state has met with very considerable success. I should like to quote just a few statistics to show how much has been accomplished during the last thirty years, which is the length of time I have been privileged to practise medicine. I was interested to find out just what has been done in this regard, and I find that in that period of time the mortality in cases of typhoid fever has been reduced from 313 in a million of the population to 16 in a million of the population, and during the last two or three years I think it has been almost completely eliminated. In measles the mortality has been reduced from 134 in a million of the poplation to 25; in tuberculosis it has been reduced from 1,754 in a million of the population to 647; in scarlet fever it has been reduced from 96 in a million of the population to 19. As a matter of fact, if you consider any age period up to sixty-five you will find that during the past thirty years the mortality has been very considerably reduced. In the period under five years of age it has been cut in two, and in the period from twenty-five to thirty-five it has been reduced until now, in relation to the previous mortality, it stands as six does to ten. To summarize the mortality from all diseases, in that period of time it has been reduced from 17,195 in a million of the population to 12,343. So, as a matter of fact, preventive medicine and its application by the state has reduced mortality and brought about a remarkable saving of life throughout the country.

Now I should like to go one step further and say that the best authorities are thoroughly convinced that the progress which will be made in scientific medicine and in the reduction of mortality will be made in preventive medicine to a very large extent. So we have this situation, that while some progress has been made in curative medicine, the outstanding success in scientific medicine is that which has resulted in the reduction of mortality which has been effected by the preventive measures handled almost exclusively by the state. In the next fifty years we look to the state to accomplish, through preventive medicine, almost all that will be accomplished. No doubt there will be some advance in the line of curative medicine, but not the advance we might hope for.

There we have the situation. The fact, then, is that the state has concentrated upon preventive measures and has met with success. Naturally we must ask this question: Will or can the state—using that word to include all health activities and all state agencies—continue to concentrate on preventive medicine if it divides its efforts and undertakes curative work? I am not answering that question; I am simply bringing it up for your consideration. More than that, can the state undertake to keep up the preventive work it has been carrying on, and in which we look forward to great advances? Can the state continue to finance those obligations and at the same time undertake to finance the curative work of which the hon. member has been speaking? If the state is to divide its activities, or to divide the finances presently used in the work, it will mean disaster to the splendid work that has been done and is to be done in preventive measures. That is a

question we will have to decide, but it cannot be decided in this house in a legislative way. It must be decided by the taxpayers and contributors in the various provinces. So while we are discussing this academically, and in a profitable way I believe, at the same time we must leave to the various provinces the answers to these questions.

Now, let us look into the possibilities of the future. There is a very promising outlook for preventive medicine. There are some great obligations for the state to undertake. I shall not attempt to outline all of them, I shall deal with two or three only. For instance, heart disease; I have already given some statistics which demonstrate what the state has already done in the reduction of mortality from various causes. Unfortunately when we come to diseases of the heart we find that the mortality figures have been getting progressively worse and worse. The same remark applies to cancer, and this disease is now receiving very serious consideration from scientific medicine. Diseases of the heart is the greatest single cause of deaths in our country. Unfortunately the mortality, as I say, is increasing each year. One out of every seven deaths is the result of some disease of the heart. Two persons out of every hundred have this disease. In the examination of recruits for the United States army three out of every hundred were found to suffer from this disease. In 1929 pneumonia caused 1,430 deaths, cancer 960, tuberculosis 930, diseases of the heart 2,664 to the million of population. Going back over the thirty years to which I have already referred, in 1900 the mortality from diseases of the heart was 1,374 to the million of population; during that period the mortality has almost doubled—2,664 to the million of population.

I have no doubt that the hon. gentleman who has introduced the resolution (Mr. Howden) desires that some effort should be made to broaden out the federal Department of Health by co-ordinating the activities of the Provincial Departments of Health. In that I am quite prepared to agree with him. I make this suggestion. Here are two diseases, the mortality from which is increasing by leaps and bounds. What is required in this country is not so much treatment of individual cases, but rather a broad national coordination in respect to all the cases throughout the country. Then take cancer; scientific medicine has not yet located the cause of this disease, but certain very important principles of treatment have been laid down which give promise of considerable assistance in the control of this disease. Here is a field for preventive medicine during the next few years. The Canadian medical association, in common with similar associations in other countries, is undertaking to make a national survey in regard to cancer. All members, I am sure, have been keeping in touch with the work in the various provinces, including Ontario, Saskatchewan and Alberta. The trouble is that so far there has been no correlation of data, no clinical information of any value to those who are trying to determine what steps may be taken to overcome the increasing mortality. The same remark applies to diseases of the heart. We can divide heart diseases broadly into three groups: first, that which we understand fairly well and know how to treat; second, that which is debatable among the profession; third, that of which the profession knows very little or practically nothing. I am sorry to say the third is the largest class, and a class in which the mortality is thought to be increasing. Clinical data is very badly needed, data that may be correlated so that it may be of practical use in a national way in our efforts to find successful preventive treatment for this disease.

May I point out that the federal department of Health can very well broaden the scope of its operations along these lines. For instance, we find certain information sadly lacking. We want to know: What are the causes of these diseases of the heart that are increasing so rapidly? What are the various types of these diseases? What is the natural history of each individual type? Which of these types is preventable? How is it preventable? Which of these types is increasing, and why is it increasing? What are the regional distributions of all the various types of this disease? What has climate to do with diseases of the heart, and what types are affected by various climates? What is the proper treatment for these diseases? What is vocational guidance accomplishing? What influence have social and economic surroundings on these diseases? This and other information has never been brought together. Scientific men who are enthusiastic about promoting the overcoming of this great cause of mortality in our country are thoroughly convinced that the greatest necessity is the bringing together from all the hospitals in all sections of the country, from all universities, from all medical men, even those located in the most outlying regions, the fullest information in a uniform way. The efforts of the departments of health could be extended along this line.

May I give one illustration to emphasize this point? During the period of the war when the United States undertook to bring together large numbers of their soldiers to send overseas, an influenza epidemic started and ran rampant through the camps. A large number of those who had influenza developed pneumonia, and many of those who had pneumonia developed empyema, or pus in the pleural cavity of the lung. In many cases the usual operation was performed but resulted in an alarmingly high mortality; so much so that a commission of skilled surgeons and physicians was appointed to find out what could be done to reduce this terrific toll. The advantage which this commission had was that these men were grouped together in the camps under the closest survey, their case histories were available and the coordinated and correlated efforts of all the physicians were before the commission. The result was that in a few weeks it discovered just exactly where the difficulty lay and when and how an operation could be successfully performed. The mortality rate dropped immediately to what had been considered before as the normal rate. I will not go into the details other than to point out the significance of the work of that commission in regard to this one disease.

This is what medical and scientific men want in regard to heart diseases. The cases are spread all over the country and isolated, but the information should be brought together and correlated, so that correct conclusions could be reached, and made available to the profession. This work could be undertaken by our federal department of health, as far as its guidance and financial burden is concerned.

After all, the greatest cause of sickness is poverty. We have here an economic problem which cannot be overcome by treating those who are sick. For illustration; a village may be overtaken with an epidemic of typhoid fever because the water supply is contaminated; it may be humanitarian for the state to send in a physician to treat each individual case, but it would be vastly more humanitarian for the state to send in its sanitary men to purify the water supply. The state's activities should be directed towards removing the causes of disease, and poverty is the greatest. As St. Augustine said: Thou givest bread to the hungry; but better were it that none hungered, and that thou had'st none to give him.

The Registrar General of England and Wales recently divided the deaths during the past year into five groups—employers, foremen, skilled workmen, unskilled workmen and common labourers. In general terms, he found that the mortality from all diseases was fifty per cent higher in groups four and five than it was in groups one and two. In the case of tuberculosis and pneumonia, the acute and chronic diseases of the lungs, the index figure for groups one and two runs from 40 to 80 while the index figure for groups four and five runs from 110 to 160. Poverty, unemployment and disease are not three problems; they are one problem or three aspects of the same problem.

Mr. SPEAKER: The hon. gentleman's time has expired.

Mr. A. E. ROSS (Kingston City): Mr. Speaker, the motion before the house is one of vital importance to any state. I may not have the time at my disposal to state my reasons, but I must say I am wholly in accord with the conclusions of the last speaker (Mr. Stanley), namely, that this motion as it stands at present will not rectify the situation we have to-day. It is perhaps a step in the right direction, containing as it does the suggestion of a better medical service for the people at large. I think it was Disraeli who said that "public health is the foundation of the happiness of the people and the power of that state."

If we look back over what has been accomplished by the medical profession as a whole and by the state, I think we must come to the conclusion that our present position hardly could have been reached or attained under a state system of medicine. A state system of medicine can be defined as a system approved of or supported by federal, provincial and municipal authorities; we are in that position to-day and we have not attained the success we would have liked to attain.

The history of medicine shows that man to-day is in the same position in which he was some 350,000 years ago; man's paramount thought is to search for health, and this he has been doing for thousands and thousands of years. There is no question that when man came upon this earth he found the causes of disease here to meet him, and from that day to this he had been in constant contact and conflict with disease and has made a continuous effort to overcome it. The accumulation of man's experience in this fight against disease has been written down and we should take care now that a similar situation will not arise in the future as has arisen in the past.

It is thousands of years since man first laid down systems of sanitation and medical science. We are not the first people who

have faced this situation. Five or six thousand years before Christ there were systems of medicine; there was state medicine. The Assyrians in their time had a system of state medicine under which free attendance, free service was given to the people at large, and we are just about coming to that situation to-day. But what they had accomplished thousands of years ago was practically wiped out by one great event, the fall of the Roman Empire; when the Goths and Visigoths came down upon what was the civilized world, at one fell stroke they wiped out all that was then known of medicine. The libraries, the accumulation of knowledge, were destroyed, and humanity went down into a thousand years of the deepest and grossest system of magic, mystery and superstition. After that what happened? Plagues and epidemics swept over the world. Italy at one time lost half of her population; Florence, with a population of 130,000, lost 100,000; France lost three-quarters of her population; Germany lost 1,240,000; England lost half her population and only about one out of every ten in London survived those epidemics. Such was the situation that prevailed without a system of medicine.

But just after this thousand years of darkness we leaped at once into three centuries of the finest invention and the greatest progress the world has ever seen. That brings us to the situation we have to-day. From the sixth to the sixteenth century we had all these plagues and epidemics. Then following the sixteenth century there was for three centuries the most wonderful progress in the development of medicine. The eighteenth century saw a development of magnificent hospitals, without which we would never have attained to what we have to-day. We had Westminster hospital in 1720; Guy's in 1727; London in 1740, and Middlesex in 1745. In that one hospital, Guy's, there were discovered three diseases: Addison's, Bright's and Hodgkin's.

The heather then was afire with the formation of those hospitals and the medical science developed rapidly. I should like to point out to the mover of the resolution (Mr. Howden) and to the house that the question is not so much what you will accomplish by the proposal as it is a matter of eliminating, if you insist on a system of state medicine, the possibility of the discovery of things that have produced the wonderful medical development so far attained. Virchow lifted pathology to a high place and led to the fight against a bacilli and bacteria. In the old days the idea was that through the will of God certain demons entered the body; to-day we know that it is certain bacilli that have caused the trouble. The discovery of that was due to pathology. Then there was the discovery of the microscope, which gave another great impetus to medical science and stimulated the investigations into the development of animal life. The discovery of the microscope brought about the germ theory. From the germ theory we had at once the discovery of anthrax and hydrophobia by Louis Pasteur, the tubercle bacillus by Robert Koch, syphilis by Paul Ehrlich, and, in our day, diabetes and insulin by Banting. These discoveries gave the medical service such an impetus that the medical men are now in the position that they are challenging youth to give them the opportunity of preventing sickness and disease. The few men I have mentioned have made it possible for the medical profession of to-day to say to every country: Here we are, ready to prevent disease from overcoming your people. So Disraeli was well informed when he said: Public health is the foundation of the happiness of the people and the power of the state. That is the position in which we are to-day. We have all these discoveries: the X-ray, the microscope, the knowledge of the germ theory, the preventives against germs, and we have them ready for the service of the people.

How can we give the people the benefit of this medical service? The mover of the resolution had in mind the fact that in the last three centuries medical science has developed to such an extent that, with the exception of two or three diseases mentioned by the last speaker, we can challenge any disease there is. In the face of such wonderful things as the medical profession has to offer, what have we in the way of organization to deal with conditions? The last speaker has referred to many things. Let us study this organization, just as the hon. gentleman has suggested. Some have said: Well, this is a provincial matter; what is the province doing? I think you can sum it up by saying that as a matter of organization it is a horrible mess. The provinces look after hospitals, clinics, drug stores, laboratories of all sorts; health departments of many industrial firms; private organizations, tuberculosis associations, visiting nurses' societies, maternal clinics, infants' welfare, venereal diseases. The provinces control public health in the way of communicable diseases, collection of vital statistics, water supply, disposal of waste and sewage, diagnostic laboratories, inspection of factories, state of medical colleges. The federal department control the inspection of food markets, narcotics, immigra-

tion inspection, army and navy medical stores, and marine service. Surely it must be admitted that this incongruous mess in what is called state control or assistance is very unsatisfactory in the face of the wonderful discoveries to which I have referred.

What is the answer? What can we do? I agree with the last speaker that we cannot by any such resolution as this, calling for state medicine and the examination of individuals, accomplish very much. If you want to inaugurate a system of state medicine that will bring every physician under the control of the state, then I contend that you will wipe out the great discoveries I have mentioned—the invention of the microscope and all the appliances that are now available. The physician to-day finds himself in the position of being unable to give to the people all the services they should have in the war against disease. We cannot with just one resolution come to the ideal situation. The mover of this resolution (Mr. Howden) deserves the commendation of the house for bringing before it such an important question, but I do not see that such a system as he advocates would be practical. I believe that to-day we have in the federal Department of Health the nucleus which would enable us to take the next step, and that is the coordination of all the forces in the state which are contending against disease. There should be some control of these forces, which now are like comets, flying through the air and getting nowhere. If there was a department with power to take all these different agencies in hand and coordinate the forces that are at work in the activities directed against disease, we could accomplish a great deal for our people. We could endeavour to coordinate the industrialists who are finding it to their advantage to put into practice some of the theories that have been advanced, and coordinate also the private capitalists who might wish to place at the disposal of the state for the welfare of the people the money that would help in this great work.

What is the use of going on as we are at the present time? The province of Ontario is engaged in a fight by itself against cancer. In the army, in the last great war, we came to this conclusion. In the early stages we would send a battalion to attack. Then we got a little stronger and said: We will try a brigade. If that was useless and we were losing men, we would try a division, and finally we got to the stage where we sent in a whole army. If you are going to attack anything, attack it with all the forces that are available, and there should be some power in this country that should be able to coordinate all the forces that are now available and concentrate them upon an attack, a cannonade on this one objective.

The situation to-day so far as the British North America Act is concerned is antiquated. Preventive medicine is no longer a provincial or a municipal matter. The speed of transportation is such that an epidemic can spread very rapidly, and yet we are perhaps attacking this thing as they would have done in that thousand years of darkness which I pictured. The only protection from disease that people had then was flight, and kings, legislators, aldermen and physicians, all took advantage of it. What was the result? Their flight only spread the disease further. In those days they had no protection other than separation and isolation, but to-day we have science. Nevertheless the development of transportation has made the possibility of the spread of disease greater than it ever was before. For instance, in South Africa in a little tribe of three hundred thousand people a disease known as sleeping sickness developed which wiped out that whole tribe, and in a few short years, owing to the ease with which people can move about, the disease had spread all over the world. To-day an epidemic can be spread across this continent in a very few days, so that the question of prevention is no longer a provincial one. It has developed into the larger question of federal protection. Here in the federal government we have a department which perhaps we do not think very much of, but which nevertheless covers all the work I have mentioned, and in it we have the nucleus of a department than can be of great use to our people. This is not only a national question, but an individual one. Do you know, Mr. Speaker, that at the time of the Roman Empire the expectation of life was only about twenty-one years? To put it in the language of the scientific man, a child born at the time of the Roman Empire had a prognosis of life of twenty-one years. Let us trace that expectation of life down through the ages. In the dark ages the expectation of life was twenty years; in the sixteenth century, twenty-one; in the seventeenth century, twenty-six; in the eighteenth century, thirty-five; in the eighteenth century and a half, forty; in the nineteenth to the twentieth century, fifty. The expectation of life, according to insurance companies, has reached the high point to-day of from fifty to fifty-one years. So this question is not only of national but of individual importance. Every man should be glad to

know that this prognosis of life has been more than doubled since the time of the Roman Empire.

The situation to-day is this: the medical profession finds itself in the position that it is no longer able to give the people the benefit of the wonderful discoveries that have been made in the last three centuries, and the hospitals are finding it a difficult matter. As the mover of the resolution says, perhaps in the very near future it must devolve upon the governments of this country, provincial and federal, to provide a better medical service to the people than they have had in the past. My conclusion is, with regard to the latter part of the resolution at least, that it is our duty to provide medical service and to prevent disease, and that can be done only by the coordination of all the forces that are now at work fighting against disease and which are responsible for the wonderful progress that has been made up to this time.

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): I think that a number of members proposed to take part in this discussion, but time is unfailingly moving on and unfortunately we in the house shall not have the benefit of hearing them speak on this important subject. The mover of the resolution (Mr. Howden) has proved his faith and enthusiasm by again bringing forward this year the subject of state medicine. One must recognize that the object of his speech to-night, as it was of his speech of last year, is the amelioration of the health of our citizens. We appreciate the truth and the importance of the hon. member's statements regarding health. We recognize that good health is a boon, and we are familiar with its full meaning. On the other hand we know the distress, the grief, the loss and all the disastrous consequences that are wrought by disease. Therefore anything we can think of to add to the health of the nation and curtail disease is worthy of our best effort and attention.

The hon. member for St. Boniface has in his resolution brought forward two distinct propositions. One is the periodic examination of the people, and the other the provision of medical treatment for those requiring it. May I say first that periodic examination is a big question, and I would say the same about the provision for medical treatment. I cannot help thinking that the mover might have proceeded with one phase of the matter and left the other until a later time. Little by little is a sound motto in matters pertaining to health and medicine. However, his enthusiasm has induced him to bring both measures before us.

I should like to draw the attention of hon. members to the fact that I am not aware of any country which has adopted a system of periodic examinations. I know of no country on the face of the earth where such examinations are made. I do not argue that for that reason we in Canada should not think of attempting such examinations, but I do suggest that the course adopted by other countries should make us pause. We find countries in Europe leading in scientific advancement which have not adopted the principle set out in the resolution. Those countries have done magnificent work, yet I can think of no place where periodic examinations have been adopted. I learn that a London physician named Dobell—I believe we are all familiar with the Dobell solution—about seventy years ago proposed periodic examinations.

Mr. HOWDEN: I should like at this point to interrupt the minister. I suggest to him that in many provinces of Canada there is periodic health examination. In those provinces there are district health nurses who make primary examinations, and in cases where diseases are found a doctor is called. That is a provincial matter.

Mr. MacLAREN: Quite so. My point, however, was that there was no state, in the broad sense of the term, where these examinations have been adopted. Two years ago periodic examinations were suggested by the Canadian Medical Association and as a result four life insurance companies adopted the suggestion. They were assisted by the Canadian Medical Association, and the federal Department of Pensions and National Health provided literature. The result was that the Canada Life, the Sun Life, the London Life and the Confederation Life are now carrying out at their own expense periodic medical examination on their risks. However that is a very long way from the country at large accepting such a program.

After all we must to a considerable extent begin with ourselves, and examinations must be voluntary. I should like to ask how many hon. members in this chamber undergo periodic medical examinations. At the present time many people in Canada are aware of the benefits to be derived from such examinations, but I venture to say a very small percentage take advantage of them. I am simply pointing out, however, that the procedure suggested

by the resolution has not been followed by other countries, and that enormous organization, effort and expense would be required.

I am afraid time will not allow me to go further into detail. I should like to indicate however that although this is a matter which might well be brought to the attention of hon. members and the country generally, it does not lie within the purview or jurisdiction of the federal government; the provinces are wholly responsible, and I cannot help but think that in the end they will hasten the advancement of the suggestions brought forward by the mover of the resolution.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, March 22, 1932

The house met at three o'clock.

BEAUHARNOIS POWER PROJECT

On the orders of the day:

Hon. W. D. EULER (North Waterloo): On two occasions within the last two or three weeks I have asked the Prime Minister (Mr. Bennett) whether he could give the house information with regard to any guarantees given the banks with respect to the work at Beauharnois. I do not intend to press the matter unduly but it is becoming of very considerable importance to the public; bonds and stocks of the company are going down and the press is asking for some explanation. If it were possible for the Prime Minister to give an explanation I think it would be desirable.

Right Hon. R. B. BENNETT (Prime Minister): I regret that I am not in a position to give the hon. gentleman the information he asks for.

INCOME TAX EXEMPTIONS

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): I wish to ask the Minister of Finance (Mr. Rhodes) a question based upon an article which appeared in the Toronto Globe of yesterday, Monday, March 21, on the front page, under the following headlines:

Exemptions cut in half under new income tax, Conservative M.P. hears.

Childless married men receiving more than $1,500 a year must pay, Col. Robinson understands—turnover tax project is rejected by government.

[Mr. MacLaren.]

The article itself is a special despatch to the Globe and reads:

Windsor, March 20.—Income tax exemption will be cut in half and the rate of tax increased in the forthcoming budget, it is generally believed at Ottawa, according to Colonel Sidney C. Robinson, M.P. for West Essex.

Present exemption of $3,000 granted married men without children may be only $1,500 after the budget proposals become effective, Colonel Robinson instanced. He has heard no figure indicating the new lower exemption for bachelors, who now are tax-free on incomes up to $1,500, although the presumption is the same rate of reduction will be general.

No word has circulated yet as to what the new tax rates will be, although it is supposed they will be scaled, with larger incomes bearing higher rates, as at present, said Colonel Robinson.

Mr. SPEAKER: Order. Will the hon. member come to the question he wishes to ask without reading the entire article?

Mr. SANDERSON: I am coming to the question, Mr. Speaker, but I cannot very well put it until I have read the article.

Mr. SPEAKER: Surely the hon. member has sufficiently prefaced his question to be able to put it to the minister.

Mr. SANDERSON: I should like to read the article, Mr. Speaker.

Some hon. MEMBERS: No.

Mr. SANDERSON: Then I will put the question. Is it the policy of the government to take private members on their own side into their confidence in regard to what will or will not be contained in the budget? We have always understood it—

Mr. SPEAKER: Order. That is not a proper question to put to the minister on the orders of the day.

Mr. SANDERSON: The question, Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member must know that the question is not a proper one.

Mr. SANDERSON: All I want to know is whether the hon. member for West Essex (Mr. Robinson)—

Mr. SPEAKER: Order.

Mr. SANDERSON: —was speaking with authority from the government. I think that is a fair question.

Mr. SPEAKER: The question is not one that should be put to the government.

Mr. SANDERSON: Mr. Speaker—

Mr. SPEAKER: Order, I protest the attempt of the hon. member for South Perth to make a burlesque of the proceedings of the house. Order.

CLOSING OF BRANCH BANKS

On the orders of the day:

Mr. G. G. COOTE (Macleod): I wish to direct to the Minister of Finance (Mr. Rhodes) a question based on a telegram which I have received from Cowley, Alberta, protesting against the closing of a branch of the Royal Bank of Canada at that point. A great number of branches are being closed and I understand that this is a matter of policy on the part of the banks at the present time. Would the Minister of Finance be good enough to take the matter up with the different banks concerned to see whether some arrangement might not be made to keep these branches open in order to give service to the people in the different localities.

Hon. E. N. RHODES (Minister of Finance): I have received a number of communications arising out of the closing of branches of banks. The hon. member will appreciate the fact that the question of location of or the closing of branches is not a matter within the purview of the Department of Finance; it is solely a question of administration for the banks themselves. In each instance, however, I have forwarded the communication direct to the bank concerned.

RUSSIAN LUMBER

On the orders of the day:

Mr. J. A. BRADETTE (North Timiskaming): I wish to ask the Minister of Trade and Commerce (Mr. Stevens) a question with reference to certain press despatches that appeared last week to the effect that the British government had given an order to the Russian government for $25,000,000 worth of lumber of a kind and quality that can be produced in Canada. Has the Canadian High Commissioner in London ever notified the government here or any of the trade commissioners in Europe that such an order had been given to Russia in preference to Canada?

Hon. H. H. STEVENS (Minister of Trade and Commerce): The matter to which the hon. gentleman refers is merely gossip. We have no official information on the subject.

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—CONSIDERATION OF RESOLUTION

The house resumed from Friday, March 18, consideration of the motion of the Prime Minister that Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole on the following proposed resolution:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

Mr. J. F. FAFARD (L'Islet): Mr. Speaker, let me extend my congratulations to the ex-Minister of Trade and Commerce (Mr. Malcolm), who has been away owing to illness. We all rejoice to see him in his seat once more and trust he will have a complete recovery.

When the house adjourned at eleven o'clock on Friday night I was discussing the resolution now under consideration, and I was opposing it on various grounds. In the first place, as I pointed out, it is unconstitutional inasmuch as it is an abuse of power, and because the money expended under the provision of the statute last year was spent lavishly and without consideration for the farmers of the country. When the measure was brought before the house last year it was strongly opposed, but it was understood then that the blank cheque, so-called, was to be used to relieve unemployment, to aid agriculture, and to assist the country generally. We find now, however, that under that blank cheque the government has seen fit to pass orders in council to amend the Bank Act, to lend money to the provinces—which money will likely be given away at the next election—to increase the force of the Royal Canadian Mounted Police, to buy riot machines, guns and so on, and to spend $20,000 for the secret service, which secret service, if I am rightly informed, is used to have men follow the Liberal speakers throughout Canada in case they say anything against the Prime Minister (Mr. Bennett).

Certainly, Mr. Speaker, a member of this house who respects the mandate given to him by his constituents will not vote to give such power to one man, whatever his ability may be. In the second place, the money was spent in such a way that only one-third went

to the unemployed, the balance having been used to buy material to build camps, and for expropriations, creating new rich at the expense of the unemployed. The narrow politics of this government has stopped our trade with other countries, has depreciated our money, and has created all sorts of suffering throughout Canada.

No matter what the mistakes of the government may be, we are ready to help them. We are ready to help our sister province of Saskatchewan in her need and we thank God that a similar disaster has not fallen upon the other provinces. However, I consider I would be a traitor to my country, if, while doing that, I should forego my rights in parliament. That I will not do.

(Translation):

Mr. Speaker, the present government has spent to ill purpose the money voted for the unemployed. In order to cure an ailment, the diseased or affected organ or member is first treated. The agricultural industry is the really sick individual at this stage. So long as that industry does not receive the treatment which will restore its economic health, prosperity will never exist in Canada.

What has the government accomplished for agriculture? It cannot be credited with helping the agricultural population of this country by a reduction of three million dollars in the estimates of the Department of Agriculture. I wonder what has become of those orators taking part in the last federal election campaign who then evinced such affection for the agricultural classes. The government has done nothing and the ministers who represent our province in the cabinet have done nothing either. Surely it is not by the dismissal of hundreds of postmasters in the province of Quebec that the powers that be have helped agriculture.

Some hon. MEMBERS: Shame!

Mr. FAFARD (Translation): And they certainly did not help the agricultural classes by the construction of a fire engine boat to meet the situation should the St. Lawrence catch fire.

Mr. Speaker, some have complained, though very wrongly, that the members sitting to the left failed to submit constructive proposals. Last Friday I asked the government to help agriculture. For instance, it would have been quite an easy matter to utilize some of the millions expended in the past two years for land drainage in our province. Many farms require drainage and it is a well-known fact that the returns from farms of drained land are

[Mr. Fafard.]

200 per cent greater. Why did the government not help the settlers improve their farms? The government could quite easily have appointed in each parish committees comprised of the parish priest, the agronomist, the mayor and four or five leading citizens, and the unemployed could have applied to these committees for work. The government could have placed an unemployed at the service of the farmer who wants to drain his land on condition that he also engages in that work. It would have been equally easy for the government to place a man at the disposal of the settler who wished to clear his land of stumps. Through the application of these various measures, the government would not only have given work to those who needed it but would also have shared in the improvement of farm lands in our province.

A representative from Prince Edward Island, I believe, recently demanded that his province be supplied with fertilizers. We who come from the province of Quebec would also like to receive fertilizers from the government. But this is only a temporary expedient. Once the benefits to be derived from fertilizers on our farms had disappeared, we would be back at the starting point. However, if the hon. minister of Agriculture (Mr. Weir) who will address us shortly made a grant of $75 to the farmers to enable them to build manure sheds, he would help the cause of agriculture to a much greater extent than he would by distributing fertilizers, for the same buildings would still be of use to the farmers fifty years hence. The provincial government makes a grant of $25 for this purpose.

Mr. DORION (Translation): One would have to construct them of cement (ciment).

Mr. FAFARD (Translation): They are such liars (si menteurs, cimenteurs). We have to keep in mind that the province of Quebec is the premier province in the Dominion and that many, many farms have been under cultivation two or three hundred years. I do not intend to enlarge on the advantages of fertilizers for agricultural purposes. Agronomists and technicians have already stressed these advantages. However, it is well to remember that nitrogen, phosphoric acid, potash and vegetable matter constitute the principal elements absolutely requisite for plant life and no substitute can perform the function of potash in vegetable economy.

I have observed, Mr. Speaker, that the money was spent without any regard for the agricultural class. If the few suggestions I submit to the government were acted upon,

the unemployed and the agricultural class would both be helped at the same time, and any help given to the agricultural population is a contribution to the country's assets.

I am told the Minister of Immigration (Mr. Gordon) has inaugurated a return to the land policy. I must congratulate him.

Unfortunately, I cannot see eye to eye with many economists on this point. I have always observed that a farmer who abandoned his farm, lived in the city five or six years, enjoyed the benefits of modern improvements and the somewhat artificial amusements he may find therein, finds it somewhat difficult to once more get in touch with the land. I believe the Minister of Immigration by inaugurating now a return to the land policy puts the cart before the horse, as we say in my part of the country. Before urging the return to the land, they should apply a policy that will enable the farmers to earn a decent living.

We have heard many complaints from other provinces. Coming as I do from the province of Quebec, I can tell my friends from those provinces that Quebec in common with other sections of the country has suffered and is still suffering.

Mr. DORION (Translation): That is not what Mr. Taschereau maintains.

Mr. FAFARD (Translation): Potatoes, butter, eggs, in fact everything the farmers produce at the present time—

Mr. DORION (Translation): Are going up in price.

Mr. FAFARD (Translation): —are selling below cost. I recently met a member from the west and he asked me how the farmers were getting along in the province of Quebec. I told him the old parishes in the province would come through the crisis for three reasons: in the first place, our early settlements in the province of Quebec instead of taking advantage of prosperity to run into debt, availed themselves of the good times to wipe off their indebtedness. In the second place, they would come through the crisis by reason of their industry and sense of thrift which are things unknown in many other provinces. Thirdly, their spirit of charity and Christianity, a subject which was so ably treated in the past few days by the hon. member for Nicolet (Mr. Dubois) and the hon. member for Hochelaga (Mr. St-Père), the workingmen's "Saint Père," would see them through their difficulties.

We have poor people in our parishes. We have always had some. I will avail myself of what little time is at my disposal to outline to my colleagues in this chamber the manner in which the problem of the poor is handled in our old parishes of the province of Quebec. As a rule, at the end of December, during the Sunday service, the parish priest addresses his flock thus: "My dear friends, the harvest has been poor this year. Your returns have not been as good as in former years. However, we must not forget that there are poor people in our midst. Monday, Tuesday, such and such a one will go through the parish and collect for the poor. And you would be surprised, Mr. Speaker, if you were to see the quantity of provisions, farm produce, and the sums of money they collect. And these provisions and money are distributed without anybody having any knowledge as to their destination, this being done in order not to hurt the feelings of the poor. We are happy to have these poor people with us in the province of Quebec, for we are indebted to them for the development of a charitable feeling and Christian spirit which possibly do not exist everywhere.

Canadians living in the province of Quebec are aware that sixteen million dollars have been loaned or given to Saskatchewan. They are also well aware that the province of Saskatchewan is under the premiership of Mr. Anderson who persecuted French-Canadians and who still persecutes them by means of his school laws. Well, Mr. Speaker, because of the spirit of charity we have developed amongst our citizens it is possible to make them understand the necessity of helping Saskatchewan notwithstanding the wrongs committed by the premier of that province.

The spirit of charity! Let us compare the methods of the federal government with those of the provincial government. Upon our arrival here for the parliamentary session, the Prime Minister rose in the house and without consulting anybody recommended a 10 per cent salary cut for all government employees. For many years, a very large number of these civil servants made generous contributions to the Salvation Army, the St. Vincent de Paul Society. They practised what we call "charity" in our part of the country. In the province of Quebec, the Prime Minister told the government employees: "You need not worry, there will be no salary reduction. On the other hand, we have in the city of Quebec many people who used to work in offices or stores and who

are now idle. They are what we call the "white-collared needy." He asked the civil servants to be charitable and they were. They were true to the spirit of charity which we have developed as I mentioned a moment ago. They contributed hundreds, thousands of dollars in donations for the relief of the needy. I believe the members who sit to the right, including the Prime Minister, do not understand the mentality of the province of Quebec very well. Were I so bold as to offer him a word of advice, I would say to the prime minister: If you wish to win the goodwill of the province of Quebec, appeal to her heart. You will not secure her cooperation with blank cheques such as you are now demanding.

Mr. DORION (Translation): How wonderful!

Mr. FAFARD (Translation): Is that a question?

Mr. DORION (Translation): No, it is a find.

Mr. FAFARD (Translation): My, but that fellow is dull!

Mr. Speaker, what are they doing to relieve unemployment? Well, the municipalities and cities are asked to spend money, and the government believes it can attain its objective by inducing them to spend $100,000, $200,000 or $500,000. We are willing to help you, they say, and to give you an equal amount. I would not be surprised if the Prime Minister before the close of this session were to offer a premium to the municipality or city that spent the most money. What would you think of a farmer who, at the end of the year, having no money to pay his taxes, his insurance premiums or his debts, would say to himself: "This has been a bad year, but I have found a way of restoring prosperity; I will borrow one thousand dollars to construct a large building. I do not need it, but it may be of some use to me fifty years hence." You would evidently agree, Mr. Speaker, that such a policy was foolish. Yet, that is what the present government is doing.

These enormous amounts granted for the relief of unemployment are nothing more than dope handed to the unemployed to put them asleep. The ailment remains uncured. If we seek a remedy that will be of some real benefit to the unemployed, let us develop our industries, let us reestablish the prosperity tariff, the Laurier tariff, and we will see our industries thriving again and our people resuming work by hundreds of thousands. In order to do away with unemployment one must encourage agriculture. I will go so far as to tell the government: if you wish to end this unemployment crisis, you need do one thing only: first, help agriculture.

Hon. ROBERT WEIR (Minister of Agriculture): Mr. Speaker, I have sat here day after day listening to the debate on this resolution hoping against hope to see it end, with the full appreciation that I have of the incalculable danger of suffering that is liable to occur if the debate should be prolonged to such an extent as to make it too late, especially for the farmers in western Canada, to receive the seed grain which they need so badly for this year. Moreover, the prolongation of this debate has held up the machinery to look after the problem of unemployment relief work throughout the dominion to such a degree that great distress has been caused, which perhaps few members of the opposition seem to realize.

I have hesitated to rise, but I feel that we have reached the stage when I cannot keep my seat any longer. I shall, however, be very brief. What are the questions that have been under discussion in this debate? First, why has this resolution been brought down in this particular form? Members of the government believed that by a continuation of the act the work that had been started could be carried on with the same machinery and with less disturbance than would otherwise be the case. We were also advised to this effect by the premiers of the western provinces. No one will accuse the government, in dealing with this whole problem, of not in every way cooperating with the provincial governments. Therefore, this being our opinion, and it being backed by that of the premiers who were in the field, we felt that the only logical course to pursue was to ask for a continuation of the act for a period of two months.

During the debate hon. gentlemen have asked: Why was the bill not brought down earlier? At the time this resolution was put on the order paper, it was believed that the report which was to be brought down not later than March 15, setting forth the works that had been undertaken and the amounts spent under the Unemployment and Farm Relief Act, would be ready by March 1, and it was not deemed advisable or fair to ask for an extension of the act if the information was not before the house and especially before hon. gentlemen opposite so that they might have the facts available in order to discuss properly the resolution leading to the bill. As has been said, however, due to the illness of Senator Robertson, the former Minister of

Labour, it was impossible to have this report brought down at the time it was then thought certain it would be ready.

Hon. gentlemen opposite, in reply to the criticism that money will not be available for the purchase of seed wheat in western Canada and particularly in Saskatchewan, have said that this wheat should have been bought and delivered much earlier. That at first sight would seem to be an honest criticism, and I shall ask the indulgence of the house for a very few minutes in order to disclose to it the steps which were taken. I believe that hon. gentlemen, especially the farmers from the west, will agree when I have concluded that no precaution has been overlooked to place in the hands of the farmers in that great dried-out area in Saskatchewan the wheat that was felt to be most suitable to that particular soil and the conditions of farming in which they are engaged in that territory; and not only that, but placed in their hands at the lowest possible cost.

It was realized early in 1931 that seed wheat would have to be supplied to the extent of many millions of bushels. It was realized after June 1, 1931, that there would not be any considerable crop in a large area in Saskatchewan. The wheat best suited to this area is marquis wheat. The farmers from western Canada know that if the wheat held in the elevators in storage throughout this area had been allowed to be shipped out it would have been well nigh impossible to get pure marquis wheat from any other part of western Canada, and therefore steps were taken to hold the crop of 1929-1930 for the distribution of seed wheat if it were necessary. This crop has been held by the taking of options at the lowest price to which wheat went, and exchanging these options until finally we had options for the delivery of wheat on May 1, 1932. Hon. gentlemen opposite who have said that this wheat should have been bought a year ago will surely realize if they are western farmers what a great addition to the cost per bushel it would have meant to the western farmers had the wheat been bought a year ago, the cash paid, interest on the money paid, plus storage and insurance costs, and so forth. No precaution has been overlooked. We have to put into the hands of the farmers the wheat most suitable to their operations in the territory in which they farm, and also put that wheat into their hands at the lowest possible cost, and we have put it into their hands at a cost very much lower than even the most optimistic of these farmers felt was possible.

Hon. members of the opposition have discussed what they call the constitutional issue raised in the resolution leading to the bill. I am free to admit that there are hon. gentlemen opposite who were serious in their discussion of this question, but I do not think that anyone reading Hansard seriously, especially the farmers in the west who are in such dire need, could feel in reading the speeches of most hon. gentlemen opposite that the constitutional issue was taken very seriously by the great majority of members who have spoken on the other side of the house. Time does not permit me to go into the details of speech after speech, but in order to be as fair as I possibly can I shall take some of the speeches of the so-called back-benchers and then some of the speeches of those who sit nearer to the front benches on the opposition side.

Surely no farmer and no sane person would think, listening to the speech of the hon. member for Yorkton (Mr. McPhee), and hearing him discuss his communion with the dairy cows away back in 1930, that he was very much concerned with the constitutional issue or with the distress in which his fellow-farmers find themselves in the province of Saskatchewan. Who would think it of the hon. member for Swift Current (Mr. Bothwell), also from the province of Saskatchewan, who in dealing with a piece of highway built back in 1930 did, much as I regret to have to say it, misrepresent the facts of the case when he stated that the 2·68 miles of road that he was discussing was very similar to the highway that was built in the United States. I shall not dwell further on the speeches of hon. gentlemen opposite from the back benches.

I shall now take a few minutes to deal with the speech of a member who has always stood high in the Liberal ranks, one therefore who must be considered pretty much as a standard of the present Liberalism in Canada, one who must be considered pretty much as the yardstick by which young Liberals would measure Liberalism, one whom the young Liberals of to-day, taking part for the first time in the discussion of great public questions and following the traditions of what has been a great Liberal party would hold before their mind's eye as their ideal. I will take his speech to see if he made any serious contribution in the way of a discussion of the constitutional issue or said anything of a serious nature suitable to a crisis like that in which we find ourselves at the present time. I refer to the hon. member for Melville (Mr. Motherwell).

Take, for instance, that passage in which he stated that whenever a minister went to Regina the relief officers used to rush in to see what it was all about and who would be coming next. I think I am in a position to state, Mr. Speaker, having made visits to Regina, that that statement is absolutely without foundation in fact. Never at any time when I visited Regina were any of the relief officers called in for consultation. They had their work to do in the field, and they did it. I do not impute that the hon. member deliberately made a misstatement. I will be more charitable and say that I think it was rather a mental habit.

Secondly we had his statement, or rather imputation, that the men who are in charge of the branches of the various works of the relief commission had had no experience for their work. I think it is only fair to hon. members of this house and to the people at large to refute that imputation, and therefore I shall read in short the qualifications of the men who had charge of the branches engaged in the distribution of relief:

Charles Stevens, Accountant, nine years' experience; chartered accountant certificate; former secretary, Regina Trading Company; ex-service man.

Leslie Whitley, Clothing, twenty-five years in wholesale clothing business with Gault Brothers, Ames Holden and Commission Lines.

A. W. Snider, Fuel, seventeen years' experience wholesale and retail, fuel, lumber and hardware business.

Guy Hummel, Feed and Fodder, farmer, age forty-nine, eleven years on executive rural municipal association, now president for sixth year, reeve of own municipality for eighteen years.

William McMullen, Foods, twelve years' experience wholesale groceries; ex-service man.

A. E. Wilson, Grain Purchasing Department, long experience as grain man and prominent farmer.

All with either high school or college education.

There is another statement in the speech of the hon. member for Melville, a rather prolonged and winding statement, to which I feel I must make reference on account of the part that I played in the matter, and that was his reference to Percy Gordon's connection with the relief commission in Saskatchewan.

Who is this Percy Gordon about whom statements, or rather imputations, are made that leave an impression that is absolutely unwarranted? He is an example, of which we have many in the west, of a boy who came out from the east and who with his brother rode as a little lad from farm to farm in western Canada to make a few cents here and a few cents there to support his early widowed

[Mr. R. Weir.]

mother and themselves. He has overcome practically all obstacles until he finds himself now in a very enviable position at the bar. Percy Gordon will take second place to no man in this country for integrity, for public service and for everything that marks a man in the truest sense of the term. It was only after some considerable persuasion on my part, and I did not minimize the sacrifice of time that it would mean for him, that he undertook this work, but I was able to persuade him to give his time to the work, and he has discharged it with great credit. Let me read the inference of the hon. member for Melville with reference to Percy Gordon, and show the time that the hon. member took in leading up to that inference. I must refer to the remarks of the hon. member for Melville in using his notes for the statement appearing in Hansard. I wonder if any hon. member in the house would take a chance of saying what I am about to quote without first having made notes on the subject. The extract from Hansard is as follows:

Percy Gordon, Conservative, K.C.—that is the one I expect the Prime Minister was referring to. I am not going to report to the house what I have noted here in regard to him because I cannot prove it. But I know there was somebody around the Regina Star for two years before the provincial and federal elections conducting a violent anti-French—

Campaign. I think we have heard that anti-French statement made before, from somewhere. Then the extract continues:

—and pro-K.K.K. campaign, and this gentleman was also associated with it in some way.

Percy Gordon has never been an instigator of propaganda for the Ku Klux Klan. He does not belong either to the Ku Klux Klan or to the Knights of Columbus; I have that from his own words. Neither has he conducted an anti-French campaign, but the very opposite to anti-French. I regret to have to refer to this incident, but I am sure hon. gentlemen will agree that I am responsible, perhaps more than any other hon. member, and it is is only fair I should say these few words in defence of the man who has been attacked. Surely no one would expect such reward to be given to a man who has devoted nine-tenths of his time, free of charge or remuneration of any kind, to this relief work.

I have endeavoured to show in a few words that the debates on this resolution have not been of a serious character. With a few exceptions speeches have not dealt even with the constitutional question. Then, why all this debate? There must be some reason other than what appears on the surface. The point that strikes hon. members from the

west is this, that in consequence of the delay in the passing of this resolution and the bill one province in Canada will suffer more than any of the others; I refer to the province of Saskatchewan. Two years ago the right hon. leader of the present opposition, so far as his party was concerned, declared a very definite financial policy in reference to the province of Saskatchewan. Hon. gentlemen behind him acquiesced by their silence. That policy was not declared in the heat of the moment, because it was finely calculated, carefully thought out; the calculation was perhaps finer than on any other financial policy or fiscal policy at any time in Canada. He stated that his policy towards the province of Saskatchewan was that he would not give a cent to that province, to a Tory government. The whole basis of such a policy was that there was a Tory government in Saskatchewan.

Mr. VALLANCE: There was not.

Mr. WEIR (Melfort): That was the reason the right hon. gentleman gave, and that is the substance of my argument. The reason that statement was made is evident to everybody. It was made because the Liberal government, which had been in office in Saskatchewan for over twenty years, had been defeated, and another government had taken its place. The answer of the province of Saskatchewan to that statement made by the right hon. gentleman lies in the fact that although in the previous federal parliament there was not one Conservative from that province, at the last election eight Conservatives were elected. I hate to think that any mind could conceive of anything so diabolical to vent further his vengeance upon the people of a province, but it would seem that the right hon. leader of the opposition wishes to continue this debate further to embarrass the people of Saskatchewan because they elected eight Conservative members.

In what condition is the country in which we find ourselves at the present time? So far as the west is concerned 50,000 farmers are waiting for seed wheat. They are looking as they never looked before, for the passing of the winter months and to a spring which holds for them either the possibility of retaining their homes, or of losing them if they do not get their seed and their crop. They may lose their homes representing the toil of a lifetime, losing not only something of financial value but also the memory of their successes and defeats. This is, however, not a problem for Saskatchewan alone, and the question as to whether or not there will be a good crop interests more than the province of Saskatchewan; it pertains to the whole of the Dominion of Canada. No one could estimate the importance to Canada if in the year 1932 in western Canada there were another bumper crop of, say, 500,000,000 bushels of wheat. Who can estimate, even with wheat selling at 50 cents or 60 cents a bushel, the stimulating effect such a crop would have throughout this dominion, when again millions of dollars of wealth from the west would again flow through the channels of trade into the coffers of the east? Yet, with that position before us, and with disaster liable to ensue if succour and aid is not given by the way of relief, what have we witnessed during the past ten days?

Mr. McMILLAN (Huron): We have seen the worst exhibition of autocracy on the part of this government that has ever been witnessed in Canada since confederation.

Some hon. MEMBERS: Sit down.

Mr. WEIR (Melfort): No hon. member on this side of the house has in any way tried to hamper the debate. The situation is apparent to anyone who will look at Hansard. Only eighteen government members have spoken on this subject while fifty-two opposition members have spoken. The speeches of government members cover only 130 pages of Hansard, while those of opposition members cover 463 pages. At this point I should like to place on Hansard some figures in connection with this debate, showing the names of the different provinces, and the number of government and opposition members representing those provinces who have spoken:

Province—	Government	Opposition
Alberta	1	3
British Columbia	1	3
Manitoba	1	4
New Brunswick	0	1
Nova Scotia	3	2
Ontario	3	10
Prince Edward Is.	1	1
Quebec	5	21
Saskatchewan	3	7

I maintain, Mr. Speaker, that every opportunity has been given hon. members opposite for free and frank discussion. There has been a cry of autocracy, despotism and the like. However has any hon. gentleman in the opposition made one serious criticism of any abuse by this government, or by any member of it, of the powers given under the Unemployment and Farm Relief Act? Not one. Therefore, why should there be such opposition, if it were not for political purposes, to an extension of this policy for two more months? The question, I take it, before the house at the present time is not so much the question of this resolution or of a constitutional issue in the resolution as two or three

hon. members have suggested; the question is greater and more fundamental in this supposedly democratic parliament.

An hon. MEMBER: Supposedly.

Mr. WEIR (Melfort): In view of what I have said I maintain there is only one conclusion at which we can arrive, namely that hon. gentlemen opposite, a minority in this house, are deliberately obstructing, holding up, legislation at a time when there never was such a crisis.

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Hear, hear.

Mr. WEIR (Melfort): Therefore, in conclusion, Mr. Speaker, I do move, seconded by Mr. Murphy that this question be now put.

Mr. SPEAKER: Mr. Weir moves, seconded by Mr. Murphy, that the question be now put. Is it the pleasure of the house to adopt the motion?

Mr. A. F. TOTZKE (Humboldt): Mr. Speaker, before the question is put I want to say a few words on the subject. When the Minister of Agriculture (Mr. Weir) rose in his place to-day I did hope I would have the opportunity of congratulating him on the remarks he was about to make. I want to tell hon. members that the Minister of Agriculture held in the minds of the people of Saskatchewan quite a high position; I have known of him for quite a number of years; he was more or less concerned with the affairs of my own constituency, and the people thought a lot of him. But I want to say that his maiden speech in this house did a lot to lower him in the estimation of the people of Saskatchewan. He has somewhat improved since then, Mr. Speaker, and I trust that as he goes along and gets more experience in the house he will improve still further and devote more of his time to the important affairs of the country and of his own department, rather than to these partisan issues with which he was dealing. The minister stated to-day that owing to the obstruction and delay caused by members on this side of the house the farmers of western Canada would suffer through not being able to get their seed wheat for spring seeding. Before I say anything else, Mr. Speaker, I want to say that if the government will come down with a bill or even amend the present measure, striking out the words "peace, order and good government" and putting in an amount for seed grain or relief of any other kind, we will have nothing more to say and will do everything we possibly can to expedite the passage of the measure.

Mr. BENNETT: Since when did minorities run governments?

Mr. TOTZKE: If I understood the question correctly, Mr. Speaker, it was "since when did minorities run governments." All I can say is that in Canadian history this is the first time that I have ever known any government to undertake to run the affairs of this country under the authority of only one man.

In making my contribution to this debate to-day, Mr. Speaker, I do so without fear of the accusation of hon. members opposite that we are deliberately blocking the legislation in regard to unemployment and farm relief. In my opinion the present situation which must be faced is the most important one to engage the attention of parliament since I have had the honour of sitting in this house. The question of whether the government should be given the dictatorial powers they are seeking, while parliament is in session, has been fully discussed and does not require any reiteration on my part. I want to say, however, that I am in entire accord with the attitude taken by my right hon. leader (Mr. Mackenzie King), and I am sure my constituents will expect me to support that position to the utmost. Conditions in my province have not improved, and cannot improve for some time. My constituency is perhaps in a little better position than many others in my province, but we have had sufficient distress even in my own constituency to enable us to realize the seriousness of the situation, and I want to say that I am ready to do everything I possibly can to assist in bringing about a solution of the problem. When the Prime Minister said, during the campaign of 1930, that he would end unemployment and would find markets for our products, enough people believed him to enable him to be returned to power. Since then the people have been waiting for him to implement his promises, but the fact is that to-day there is more unemployment and more distress than there was at the time that promise was given. This government has been a complete failure; they have no scheme whatever for the relief of unemployment.

The Prime Minister was most prolific in his promises during the campaign of 1930; they have been placed on Hansard a number of times and every hon. member of the house is familiar with them. The other day the Minister of Railways and Canals (Mr. Manion) enumerated some of those promises which he said had been implemented, and I should like to take just one or two of them and see to what extent they have been ful-

filled. At page 24 of Hansard for the special session of 1930 I find that the Prime Minister speaking in Calgary on June 12, said:

There are great national works that may be undertaken in times of stress and strain. They will be undertaken, and I propose that parliament shall formulate a definite plan for permanent relief, and that parliament shall deal with this national problem and provide amelioration for the conditions in order that next winter the Canadian people may not be facing the crisis that is upon us, without having a remedy at hand.

Let us admit, Mr. Speaker, that some national projects were undertaken, and that they did ameliorate the distress to some extent. But where is the definite plan for permanent relief which the Prime Minister promised at that time? At Victoria on June 17 he said:

You have my promise that if the Conservative party is returned to power, that as soon after July 28 as possible parliament will be called together to deal with the problem of unemployment by providing not doles, but work, and that legislative action will be taken to bring about the future security of our country and the well-being of its people. We cannot tolerate the dole. Men and women of this country want work, not charity. Is there any excuse for Canada to have hard times if the government is discharging its duties as it should?

Well, Mr. Speaker, the Conservative party was returned to power and the special session was called. To some extent work was provided, but where is the legislative action which was to bring about the future security of our country and the well-being of its people? And let me recall the last sentence of that quotation:

Is there any excuse for Canada to have hard times if the government is discharging its duties as it should?

I listened with a great deal of interest to the remarks of my hon. friend from Regina (Mr. Turnbull) the other night. He introduced an entirely new line of thought in this debate. He pleaded with the hon. members of the opposition to forego their obstruction and to allow the resolution to pass. He said that because of our tactics a large number of farmers of Saskatchewan would be unable to obtain seed wheat, and to-day that argument was supported by the hon. Minister of Agriculture. Further, the hon. member from Regina said it would require an immense amount of grain, and that the distribution of that grain would entail a large cost. Then, at page 1270 of Hansard the hon. member went on to say:

I think it is beyond the powers of the province at the present moment to finance this undertaking unless they receive assistance from the federal government. Should this assistance not be forthcoming immediately the farmers of Saskatchewan will be without seed for their crops.

An hon. Member: Bring in a supply bill.

Mr. Turnbull: I thought some bright hon. member would raise that question. I am not trying to deal with this question in any controversial sense, and I do not intend to discuss whether action should be taken by means of a supply bill or otherwise. I am not going to say that the government is or is not to blame for the course it has pursued, and I am not going to argue that the opposition is right or wrong in the stand it has taken. I do not intend to be brought into any partisan discussion as to whether or not this matter should be handled by means of a supply bill.

It sounds very well, does it not? The hon. member takes a lofty attitude and asks members of the opposition to let the government help Saskatchewan farmers secure seed grain —and this in face of the fact that every member on this side of the house has assured the government that if they will bring down a supply bill for the amount required we will do everything we can to facilitate its passing. Why did not the hon. member address his appeal to his leader, the Prime Minister (Mr. Bennett)? The hon. gentleman said he would not discuss the question of the right or wrong of the attitude taken by the opposition. Knowing him as I do, I would say it is an admission on his part that the stand taken by the government is wrong. The hon. member is a lawyer; surely, therefore, he realizes that there can be no justification for the continuance of these unheard of dictatorial powers given to the government while parliament is in session. He is sitting in this house as a supporter of the government, and he and his colleagues from Saskatchewan will be held responsible if there are farmers who do not obtain seed grain this spring. Perhaps he has tried his persuasive powers on the Prime Minister and has failed. It is just another illustration of the vanity and stubbornness of the Prime Minister. He has made another mistake but he cannot admit it.

Let me discuss for a moment the importance of this question of seed grain to the Saskatchewan farmers. I wish to quote a Canadian Press despatch dated Swift Current, March 12. It was quoted in part the other day but I wish to put the whole of it on record:

Drought Areas In Saskatchewan To Get Seed March 15

Distribution To Be Made Simultaneously At All Points, C. B. Daniel Announces

Swift Current, Sask., March 12.—Distribution of seed grain will start simultaneously at all points in the drought area on March 15, C. B.

Daniel, general manager of the Saskatchewan relief commission, announced in an address here Friday before a meeting of relief officers repreсenting the southwestern section of the province.

The object of the meeting was to discuss relief matters with the relief officers and representatives of the various municipalities.

On and after March 15, farmers holding allotment tickets from the commission will be at liberty to take delivery of their seed grain from the elevators.

"The commission will insist upon the repayment from the 1932 crop of all advances of grain for seed purposes, fuel oil, greases, formalin and machinery and harness repairs," Mr. Daniel said.

Mr. Daniel also announced that a million and a quarter bushels of oats for seed purposes have been purchased and ordered out, and that distribution is proceeding at the present time.

There is another news item which was referred to by the hon. member for Regina but which was not quoted. It reads:

Sask. Seed Plans Awaiting Passage Of Federal Bill

Regina, Sask., March 15.—The $6,000,000 seed plans of Saskatchewan are hanging fire until the passage through the federal house at Ottawa of a bill now under debate there, said Premier J. T. M. Anderson in the legislature, Monday. The premier was replying to a question put by John Gryde (C., Cypress.)

The premier suggested that the leader of the opposition might use his influence, if any, with the federal opposition to facilitate the passage at Ottawa of the amendment to the relief act, 1931. The amendment referred to, proposed to extend the "blank cheque" to Premier R. B. Bennett's government and is encountering heavy opposition.

Here we have on March 12, four days after the introduction of the resolution and the position of the opposition definitely stated by its leader, a statement made by the general manager of the Saskatchewan relief commission that on and after March 15 farmers holding allotment tickets from the commission will be at liberty to take delivery of seed grain from the elevators; and in the last sentence of that despatch Mr. Daniel states that a million and a quarter bushels of oats for seed purposes have been purchased and ordered out and that distribution is proceeding at the present time.

Then on March 15, after this resolution had been debated for almost a week, we find the premier of Saskatchewan saying that the distribution of seed grain was being held up until the passage of the bill under discussion. What happened between March 12 and March 15? Perhaps the hon. member for Regina can tell us that. Perhaps he can tell us whether or not seed grain is being distributed in accordance with the statement of Mr. Daniel. So far as I know, no member on this side of the house has had any word protesting our action in this matter; and so far as we know distribution of seed grain is now going on. Perhaps that last statement of mine is not strictly correct because we have had a wire from Premier Anderson of Saskatchewan. I had better read it for the information of the house. It is dated Regina, Saskatchewan, March 21, and is addressed to myself:

In interests of thousands Saskatchewan farmers victims of national disaster through drought respectfully urge your sanction relief bill before Easter recess as indications early spring and provision seed dependent upon passing bill.

My reply to that telegram is dated March 21, addressed to Premier J. T. M. Anderson, Regina, Saskatchewan:

Strongly urge you wire Premier Bennett that he bring down supply bill for amount required for seed grain and relief before Easter recess. If this is done opposition will facilitate passage in every way.

Perhaps I am wrong there too; perhaps Premier Anderson did wire to the Prime Minister without success. Perhaps the suggestion for the wire from the Saskatchewan premier came from Ottawa. Let me quote what the Prime Minister (Mr. Bennett) said when he introduced this resolution on March 8. At page 906 of Hansard he is reported as follows:

The federal authorities feel that they are not in as good a position as the provincial authorities to arrive at a proper judgment. Therefore we have concluded that instead of doing what has been done in days gone by, merely undertaking the responsibility for seed and feed as a national or dominion obligation, we will advance the necessary moneys by way of loans to the three provinces on their treasury bills, to enable them to provide seed and feed to fulfil the requirements of their agrarian populations. It may interest this house to know that we took steps last year to acquire through the aid of Mr. McFarland—who has so generously and freely without salary or compensation given of his time in the management of the wheat pools—sufficient quantities of wheat to take care of that situation at a price which I should say is at least ten cents lower than the rate to-day prevailing.

What does that mean? It means, if I am any judge of the English language, that the wheat has been purchased, and there is, in my opinion, no necessity for the holding-up of seed wheat for the farmers of Saskatchewan. The Prime Minister, in his statement, said that it was being advanced to the provinces by way of loan and that the security was to be their treasury bills. I submit that the issuing of provincial treasury bills is not dependent upon the passage of this legislation in this house. It is just another method of using the big stick to coerce us into acquiescence in the passage of this legislation.

May I say to the Prime Minister that however much he may be able to dictate to his own followers, we on this side of the house will resist coercion to the utmost. Let me repeat that if Saskatchewan seed grain distribution is being held up until this dead bill is revived, and if the Prime Minister has the interests of Saskatchewan farmers at heart, as he says he has; he should bring down a proper supply bill to take care of the situation. Let him do that and we will give him every support.

May I discuss for a few moments the statements made by the hon. member for Moose Jaw (Mr. Beynon). As appears on page 1156 of Hansard, he said:

> There were municipal councils that were wholly non-political, but they were few in number, and while the municipal organizations were administering relief, the dissatisfaction was very, very pronounced, as the relief was administered inequitably. That was one of the reasons for discontinuing their services. Another reason was that even where the municipal councils were non-political and did their utmost to administer relief—
>
> Mr. Totzke: Did the hon. member say the municipal councils were political?
>
> Mr. Beynon: Oh, yes.
>
> An hon. Member: They were Grits.
>
> Mr. Beynon: I do not think anyone coming from Saskatchewan seriously disputes it. In fact, I might just tell the house that for the last twenty-five years there was very little, if anything, in the province that had not had politics in it.

I resent the allegation that the municipal councils are political. In so far as my own constituency is concerned there has never been any question of politics in the election of municipal officers. What strikes me as peculiar in the remarks of my hon. friend, and which illustrates his ingenious mind, is the statement that these municipalities should not be used in the work of the distribution of relief because they are political, and then his government proceeds to appoint its own political friends for this purpose. The hon. member then went on to discuss the personnel of the commission, and on page 1259 he is reported as saying:

> He could not choose men and women trained in that particular work; he had to go out among the unemployed and the needy and choose his staff and form his organization.

As an illustration of how these men were chosen from among the unemployed and the needy, I shall give the particulars of the appointment of three men in my own immediate home vicinity. The first man chosen was more than an ordinary relief officer, he was a sort of superintendent over a number of relief districts. I have nothing to say against this gentleman personally; he is a friend of mine and I have known him for many years and I believe him to be a man of the highest integrity and ability. However, this man was a hardware merchant and did not come from the ranks of the unemployed and needy. He was not chosen because he had no political affiliation; in fact, during the last two elections he appeared on a number of platforms throughout the constituency and made speeches on behalf of my opponent, the Conservative candidate.

The second man chosen was carrying on the business of blacksmithing and could not be termed as being unemployed or needy. He was a man who had worked as hard as possible on behalf of the Conservative candidate in both the provincial and federal elections, and his political affiliations were well known. I have nothing to say against this man as to his integrity; he will do the best he can, and I will not say anything as to his ability.

The third man chosen was employed and could not be classed as one of the needy. It may not be creditable, but the fact is he was a postmaster—he was one of those whom this government has said must keep their fingers clean of political partisanship. A number of postmasters in my constituency have been wrongfully dismissed on charges of political partisanship, and I will have something to say about this later on. This third man was noted for his political activities. During the elections of 1926 he went through my constituency and appointed scrutineers for the Conservative candidate.

The hon. member for Moose Jaw has stated that the officers of the rural municipal councils could not be used because of their political activities, and yet I am able to give illustrations of three men who were appointed in my own community, each of whom was very active politically. From experience I know that 95 per cent, I might almost say 100 per cent of the relief officers are supporters of the government.

The hon. member did instance one constituency in Saskatchewan where no Conservatives were appointed. I took the trouble to inquire into this and I found that no Conservatives had been appointed as relief officers but everyone who had been appointed was a supporter of the Saskatchewan government.

I do not make these remarks as a complaint against the carrying out of the duties of these officers, but I contend that if the relief commission and the government had used the municipal organizations for the distribution of relief, the cost would have been much smaller.

In conclusion I say that I believe that the only way in which this country can be brought back to a position of prosperity, the only way in which we can get away from this serious problem of unemployment is for the government to make a complete reversal on its fiscal policies—restore trade in the country and unemployment will cease. I think that the government should introduce at the earliest possible moment some form of unemployment insurance. I do not know in just what way this can be done, but the government should introduce some measure to show the people that they are trying to do something to help the unemployed.

Mr. W. G. WEIR (Macdonald): Mr. Speaker, I do not think that anyone in this house or in the country can deny this feature of the debate. An attempt is being made to reinstate a measure which has been in operation for a year and a half and I think we are entitled to the fullest opportunity to discuss and consider the details thereof and the progress which has been made under this particular legislation. The resolution reads:

> Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

Of course that is an innocent looking change, but when one reviews the act to be amended he gathers the true significance of what is being asked. By the way, this act has been dead now, for twenty-two days. Section 4 of the act which we are being asked to amend reads as follows:

> The governor in council shall have full power to make all such orders and regulations as may be deemed necessary or desirable for relieving distress, providing employment and, within the competence of parliament, maintaining peace, order and good government throughout Canada.

I do not propose to enter into a discussion of the constitutionality of this procedure except to point out that we on this side of the house take the position, and I believe rightly so, that the government by its action in this regard is taking from parliament control which rightly belongs to parliament and vesting that control in the hands of the cabinet. To this procedure we conscientiously protest, particularly when parliament is in session and in a position to do the very thing the government is trying to do under this legislation. It seems passing strange that when the original bill was introduced last summer, the Prime Minister (Mr. Bennett) himself on his own initiative changed the date upon which this measure should expire from March 31 to March 1. The argument used on that occasion was that there was every likelihood that parliament would be in session during the month of March and the money could be voted in the regular way. At that time the right hon. gentleman took the position, and I believe properly so, that parliament had a right to know how the money is going to be expended and that the purpose of the act as passed last July was to provide for a period when parliament would not be in session. When the Prime Minister changed the date from March 31 to March 1, he admitted by his own action the desirability of parliamentary control over expenditures.

In addition to that hon. members on this side of the house have pointed out several instances where the authority secured under this legislation has been used for purposes far from having any connection with unemployment or farm relief. I should like to indicate a few of the orders in council that have been passed under this legislation, under the supposed authority of maintaining peace, order and good government, the legislation having been passed in the interests of unemployment and farm relief. Under this legislation there was passed first an order in council guaranteeing the advances made by the banks to the wheat pools; second, an order in council prohibiting the export of gold; third, an order in council increasing the strength of the mounted police by over 300 men; and, fourth, an order in council virtually amending the Insurance Act and thereby allowing the insurance companies to arbitrarily value certain of their securities. I cannot see how measures of this kind have anything to do with unemployment relief; they are totally foreign to it, and why they should be connected with this legislation, I fail to see. These actions may have been good or they may have been bad; I do not propose to discuss that. The point is that they are totally foreign to the measure which we understood we were passing nearly one year ago.

In this country there are several very controversial problems on which public opinion is probably quite evenly divided. Under this legislation those problems could be dealt with by the government, the measure decided and the subject closed for all time to come without parliament or the people of Canada having had an opportunity to express themselves. The Minister of Agriculture (Mr. Weir), during his remarks this afternoon, indicated that there must be behind the actions of the opposition in prolonging this debate, something which could not be seen on the surface. I would venture the same assertion to him, that the introduction of this legislation in the

way in which they have brought it in, in the expectation of maintaining it in force, indicates something below the surface which the government are not prepared to bring into the open. I believe there is grave danger in this legislation. There is danger to the government of the day. I cannot see why a government should want to take to itself power of this nature. Why not share the responsibility of the making of laws? It is dangerous for a government to possess such power and authority as this and it will sooner or later undoubtedly run them into difficulties.

A few days ago the Minister of Trade and Commerce (Mr. Stevens), in discussing this legislation, said in effect that the principle of this measure had been established last year when we passed the measure at the last regular session of parliament. If that is the position of hon. gentlemen opposite in regard to this legislation, we have every right to prolong this debate as long as we possibly can. I for one certainly was not voting in support of that principle, and if it is going to establish a precedent for parliaments yet to come we have an absolute right to fight it just as hard as we can. The government argue that the reason they want to resurrect this legislation is that they are not in a position to know what their actual requirements are. To me that shows weakness on their part. They have had full control and power since 1930 and they now by their actions admit that they are not in a position to know what their requirements will be for sixty days in advance. That is the situation. They have had full control in this regard, being able to gather all the reports, and from their experience they should be in a position to know exactly, or very nearly so, what they will require to carry on their undertakings for sixty days. Their argument in this regard is, however, further shattered by the Prime Minister's remarks of a few days ago. When he was speaking to this resolution earlier in the debate he said that calculations had already been made as to the feed and seed requirements of the three western provinces. He stated the amounts of money that each of the provinces had asked for, that is the amount of money required for that purpose is definitely known to-day by the government. The applications of the three western provinces have been made to the government, and I understand from despatches from Winnipeg that the Dominion government has agreed to the amounts suggested. Therefore the amount of money for seed and feed purposes and the cost of putting in the crop in these three provinces has been determined so far as it is possible to do so. For instance, the Prime Minister said that Alberta had asked for $140,000, Manitoba for $650,000 and Saskatchewan for some $6,000,000. Therefore the government's argument in that regard is not sound. They already have the information they need.

I wish to make a few observations with respect to seed and feed relief, particularly as it applies to Manitoba. I do this because of an interjection made by the Prime Minister some days ago when the hon. member for Lisgar (Mr. Brown) attempted to adjourn the house to discuss a matter of grave national importance. On that occasion, the right hon. gentleman interjected: "What is your Manitoba government doing?" That would indicate to those of us who heard the remark that there was an implication that the Manitoba government was not fulfilling its duty in this regard. The Manitoba government has requested that the federal government in respect of seed and feed relief share with it certain of the obligations. It has asked that the Dominion government assume one-third of the cost of feed and seed and also one-third of the freight cost of bringing in those materials, the provincial government agreeing to assume a similar responsibility. I think that is a very reasonable request and one which if the Dominion government is going to assist in the matter of relief they might very well act upon. That there will be loss with respect to feed and seed there is no doubt. Any municipal man who has had experience in this matter in years gone by knows that there will be loss in that regard, but I will let that pass for the moment because the Prime Minister in his remarks on that same day did state that whereas these advances to which I have referred were loans to the provinces, and that the dominion was assuming no responsibility for losses in connection with them, but that when the losses were actually determined and known the matter might be opened up for further consideration. Those remarks of his will be found at page 906 of Hansard, and I hope that the Prime Minister will keep them in mind when this matter comes up for consideration after we have found out what the losses actually are in this regard.

Coming back to the inference that the Manitoba government was asking for something unreasonable, I really got the impression that the Manitoba government had been asking for something that no other government had been asking for, and therefore I was very much surprised to learn from the remarks

of the hon. member for Bow River (Mr. Garland) the other day that the government of Alberta had asked for exactly the same thing. So why pick on Manitoba?

A return was brought down in the house some days ago which showed the amount of money which had been advanced by this government to the three prairie provinces and British Columbia. This return shows that Alberta has received advances of $4,624,000; Manitoba, $3,205,537, and that figure has since been raised to $3,775,000; Saskatchewan, $16,302,496, and that figure has since been raised to $16,800,000. In addition to that, may I point out that the province of Saskatchewan has had advanced to it, for the drought area of seventy-six municipalities, $5,250,000 as a straight gift. I am finding no fault with that whatever. In addition Saskatchewan has received for purely provincial purposes $6,500,000; in other words, Saskatchewan has received $6,500,000 for carrying on purely provincial undertakings.

Coming back to the matter of seed and feed relief so far as it affects the province of Manitoba, the Prime Minister stated in his remarks that the three western provinces were being treated in exactly the same manner, that these moneys that were being advanced were being advanced as loans pure and simple and it was intended that they would be paid back. I think there has been some misunderstanding in this regard. I take the Prime Minister's word, of course, but I should like to put it in this way: Is this government advancing that money to Saskatchewan as a loan, or is it giving some money directly and assuming responsibility for some of the losses in the drought area? I am sorry that the Minister of Agriculture (Mr. Weir) is not in his seat because I have under my hand a letter signed by him dealing with the matter, in which he says:

> This government is providing the funds to purchase food, clothing, fuel, feed and seed which is being distributed by a relief commission.

I do not propose to deal with that further, but hon. gentlemen can easily see how differences of opinion might arise in that regard. So I think that the inference of the Prime Minister and it was merely an inference—with respect to Manitoba was quite unfair and quite uncalled for.

May I point this out, that up until January 26 last the Dominion government actually had no policy with respect to this very matter of farm and unemployment relief, because I have under my hand a letter from the Minister of Agriculture, dated January 26, 1932, in which he says:

> I hope to be able to get in touch with the Ministers of Agriculture within the next week, and set out the extent to which we will be able to help or not help.

That shows that the Dominion government actually had no definite policy on the date of January 26 last in spite of the fact that the matter was brought to their attention in a conference as early as August 31 last, correspondence respecting which I have under my hand. Now the Dominion government comes along and says that we are holding this matter up, that seed and feed are wanted badly by the farmers of the western provinces and that the government is not in a position to provide it. In spite of the fact that the Dominion government was able to provide bombs and other paraphernalia for the police force, they were not far enough advanced in their program to have the seed wheat ready for the farmers of western Canada.

We have heard from several members on the other side of the house indicating that they would like members on this side to cooperate with them in dealing with this vexed problem of unemployment and farm relief. I would point out, Mr. Speaker, that cooperation works both ways. For example, last summer when we were discussing this question the Prime Minister indicated that the members of the house would be communicated with and asked to submit to the director of unemployment relief federal projects that might be undertaken in their respective constituencies. That letter was received in due course and I presume that most of the members acted upon it. I know that I spent considerable time in getting in touch with the reeves of municipalities and the mayors of various towns and the local provincial representatives, of whom there are five in my constituency, two of them good Conservatives, and I submitted their suggestions to the dominion director of unemployment relief, but of all the projects I suggested, and there were several, I was informed that only one project could be classed as a federal undertaking, namely, the building of a small post office in a rural town in my constituency.

Further, the Minister of the Interior (Mr. Murphy)—I am sorry he is not in his seat—visited my constituency last fall in the interests of unemployment and farm relief. He visited the largest town in my constituency, a town of some twelve hundred people. I live only some ten or twelve miles out of that town; in fact, it is my business town. Of course, I did not expect that the minister

would get in touch with me, because that would be expecting too much, but I became curious after I knew that he was there and I began to make inquiries as to who he did see. Mark you, Mr. Speaker, it was published in the paper that he was out there in the interests of unemployment and farm relief. On checking up on his activities I found that the hon. minister did not even see the provincial representative, who lives in that town, that he did not even see the mayor of that town, who lives right in the town, that he did not see the reeve of the municipality, who lives a few miles out of the town; in fact, he did not officially see a single representative of the town or rural municipal council, and he was there in the interests of farm and unemployment relief. But he did see some people, Mr. Speaker. I see the minister coming into the house now. Strange as it may seem, about a week or so after the hon. gentleman's departure, a Conservative nomination convention was held for that provincial constituency. That is the way the hon. gentleman proposes to cooperate with us in dealing with this vexed problem of unemployment and farm relief.

I wish, Mr. Speaker, to refer to another feature of this legislation which I think is very unfair and unjust. I call it the big stick feature. When we met at the special session of 1930 the request was made for $20,000,000, and at that time we were told that we had to vote the amount asked for or the Prime Minister would not go to the Imperial conference. That was the big stick held over us at that time. Then we come along to the regular session of 1930, and we find that no legislative program was brought forward with respect to unemployment until the dying days of the session when everyone was fatigued and anxious to get home. In other words the government waited until everybody was wearied of attending parliamentary sittings, knowing all the time that the government's majority would carry the measure through the house. That was the big stick used on that occasion.

Now, at this session of parliament, we find another big stick being used when, in effect, we are told, "If you do not pass this legislation the farmers in western Canada will not get their seed and feed grain." So, we are being coerced into the adoption of this measure. I think the government is going altogether too far. If hon. gentlemen opposite maintain the position taken by the Minister of Trade and Commerce (Mr. Stevens) that the principle of this legislation was endorsed last year, hon. members on this side of the house would be making a very serious mistake if they were to let this measure go through the house without finding out definitely the government's policy in connection with relief.

I wish to touch upon the government's policy with respect to unemployment and farm relief from a little different angle. To my mind the government's difficulty in handling the present situation is one of its own making, and I make that statement for three reasons. First, there were the election campaign promises made by hon. members opposite. Every man was promised a job. According to hon. members opposite the reason men did not have jobs in 1930 was the failure of the previous government. I ask hon. members to think of the psychological effect created by that kind of campaigning. A good many people took the Prime Minister and his followers at their word; they accepted the statements made by hon. members opposite at their face value.

Then we come to the $20,000,000 voted for the relief of the unemployed. The voting of that money was another very definite factor in creating the attitude of mind among the unemployed. Then we come to the blank cheque, whereby unlimited money was placed in the hands of the government. People are still looking for the government to carry out its promises. They accepted in good faith the utterances of hon. members opposite, believing that they would be carried out. I ask, Mr. Speaker, if it is any wonder we have delegations at Ottawa who place their views very forcibly before the Prime Minister. He created the attitude of mind in the people of this country that there were jobs for everybody. Probably they think he is a machine, that he can turn a wheel and kick out a job whenever he likes. The problem with which the government is faced is of their own making.

There is another feature of this legislation to which I think reference should be made. I think we should give very serious consideration to the continuation of a policy of spending money to create employment. Up to the present time that is all we have been doing. Have we obtained results justifying the amount of money which has been spent? We have adopted a policy forcing municipalities and provinces to go further into debt so that jobs may be created. I am not so sure the country is prepared to continue with that policy. By this legislation we have already increased the debts of the provinces and municipalities by about $100,000,000. How much actual employment has been supplied? I think those are questions the people of

Canada are anxious to know. Lack of time prevents me discussing further this phase of the question. I say again, however, that the feature to which I have referred is one which should be given the greatest possible consideration by hon. members in this house. Has the government's policy of spending money produced the results expected when the legislation was originally introduced and passed at the various sessions of parliament?

Summarizing the remarks I have made, the situation presents itself to me from three distinct points of view. First, the constitutionality of the procedure adopted. In other words, will this house reinstate a blank cheque policy for another sixty days, or shall we follow the procedure of voting supply in the ordinary way? The government has taken the position that they have not sufficient information, that they do not know the actual conditions they might run into, that their information does not enable them to name a definite amount of money, and bring in a supply bill. I think hon. members on this side of the house, knowing the circumstances surrounding this legislation, are quite justified in pressing for a money bill which could be brought in in the ordinary, proper parliamentary way. Is a precedent being established for years to come? I sincerely think that hon. members must view the proposed legislation with real seriousness, because it would seem that the government is establishing a precedent whereby they may have control of the spending of money, the making of policies, the placing of law making in the hands of a few cabinet ministers and probably the hands of only the Prime Minister. Such policies are going much too far in the creation of an absolute dictatorship in Canada.

Then, I should like again to refer to the policy of obliging provincial and municipal governments to go further into debt, so that work may be created for the unemployed. Is that a policy which this government will continue to follow? I think that that is a feature of the proposed legislation which should receive the most careful consideration from all parties concerned, if our municipal and provincial governments—and particularly those in western Canada—are to remain solvent. To my mind this is a very important matter, and one which this house cannot afford lightly to pass over. I feel that the government should be in a position to state the amount of money it requires to carry on business for a period of sixty days. For the life of me I cannot conceive of any board of directors while they are in session, saying to their general manager, "Go ahead and do what you like; you do not need to consult us." I do not think we would find any board of directors which would give their management such unlimited powers. Why should we be obliged to do that so far as this government is concerned? We have a right to know the amount of money required to carry out the proposed program, and should proceed in the regular way by bringing in a supply bill, thereby eliminating further discussion.

Hon. CHARLES STEWART (West Edmonton): Mr. Speaker, after listening to the debate of the past week concerning the resolution before the house one is constrained to think that the government might at least pay some attention to the objections registered. I am quite well aware however that no attention will be paid, and that the government will not take heed to the objections registered against them. I am quite well aware that the majority sitting opposite will, as usual, vote for this resolution, and when the time arrives, put it through the house.

Perhaps I would not have spoken on this occasion, knowing the futility of speaking in this House of Commons at this time, had it not been for the fact that my hon. friend the Minister of Trade and Commerce (Mr. Stevens) the other day announced that the principle of this legislation had been established at the last session of parliament, and that parliament had given the government the right to legislate in every particular. In the first place parliament gave the government the right so dearly bought, and which caused so much friction and distress in days gone by, to control taxation and expenditure. The expenditure of public money is carried on by the government under the direction of parliament, or at least that was the principle in days gone by. Now, however, by the force of the majority of members behind the government, that right has been wrested from parliament and given to the government of the day. Then, forsooth, hon. members on that side of the house excuse themselves by saying, "You delegated this right to the government so what have you to say about it"? That is about all the satisfaction we get from our protests against this high-handed behaviour on the part of the government.

Then, not content with that, my hon. friends took the right to reestablish what was known amongst us as the War Measures Act; by the force of their majority again they seized the right to interfere with statutes already passed, which is the clear prerogative of parliament.

Surely, Mr. Speaker, if we believe in a free parliament, we who have some respect for the rights of parliament and the representatives of the people have the right upon this occasion to protest as vigorously as we can against actions of this sort.

Perhaps the thing to which I personally take the greatest exception is the power taken by this government to interfere by order in council with our tariff. I do not know of a single industry in this country or of a single importer who is not in entire agreement with what I have to say with respect to this point. Why should this government take from parliament the right to fix the tariff upon imports entering this country? Where is the necessity for that? No other answer can be given, Mr. Speaker, except that they wish to seize authority upon any and every occasion not to impose tariffs upon goods coming into this country but absolutely to exclude those imports. This might be classed as the most high-handed piece of legislation this government has seen fit to pass, and the way it has been administered is infinitely worse than the seizure of the power itself. But hon. gentlemen opposite were not content with getting parliament to place upon the statute books the highest duties in the history of this country and in the history of most countries of the world; paying no attention to the results that would accrue, they took this step in the name of unemployment relief. They announced that their policy would be to spend money in conjunction with provinces and municipalities in order to relieve unemployment, but the permanent cure for unemployment was to be these drastic increases in the tariff. That was the cure-all for the difficulties in which they said they found this country when they came into office in 1930.

Did hon. gentlemen pay any attention to what would be the results? Have they cured unemployment by the drastic increases which they put through, followed by the orders in council which practically shut out many imports? Has that cured unemployment? Has it increased the revenues of the government? Are they paying their way? What has it done to our great transportation system? In Canada, rightly or wrongly—and no government and no party will take credit for it—we built up what we thought was a great national transportation organization known as the Canadian National Railways. We spent money lavishly on our ports, upon steamship subsidies and in the construction of vessels; we dredged our rivers in order that the larger vessels could get to our ports; we improved the harbours of Vancouver and Prince Rupert and spent millions of dollars on all these undertakings. For what purpose was that done? Was it done for domestic trade? No one for a moment will say yes to that question. Certainly not; we spent this money for the purpose of creating international trade, and we were all in agreement about it. Then along came this government, and what did they do? During the short session of 1930 they started to stem the flow of imports into this country by unreasonable and excessive tariffs, and they created unemployment to an unprecedented degree by that action. Then, not satisfied with that, whenever they found an opportunity, whenever some poor importer was endeavouring to get some goods into this country and they were notified of that fact, overnight they placed prohibitive duties against such articles by order in council, and in particular with our trade with Great Britain.

What has been the result of all this? Never in the history of Canada since Canada has had a railway; never in the history of Canada since Canada has had steamships has there been unemployment to the extent there is at the present time, and I say it is useless for these gentlemen to rise in the house and argue that because of the excessive tariffs in the other countries, because of obstructions placed in the way of international trade by other countries, Canada is suffering and they are only moving by way of retaliation. That retaliation is coming home; it is striking back in the way of ever-increasing unemployment, and I say if the government persist in their present policies and continue along present lines we will not have half a million unemployed in this country; we will have a million unemployed in the very near future.

Not only have the government persisted in this policy with regard to the United States and other foreign countries; even prior to the visit of the Prime Minister to England at the time of the Imperial conference increased tariffs were put into operation against the best customer Canada ever had. Now we are approaching another conference, and I for one am very gravely concerned about the success of the conference that is to be held in this city this coming summer. If this conference is not a success, Mr. Speaker; if it does not bring about something in the way of inter-imperial trade between ourselves and the motherland, then I have very grave fears that the government of Canada will find itself in the same position financially that the western provinces are finding themselves in to-day, largely as a result of the policies inaugurated by this government.

In 1930 the public were told that if they voted for the Conservative party the farm products which, so it was said, the government of the day were unable to market, would find markets under the direction of the Conservative government. Prices would be increased; all they had to do was vote for the Conservative party. What a spectacle we have to-day. I defy hon. gentlemen opposite to name one single promise made by the government of the day or by any speaker on behalf of the government, which has been fulfilled in any single particular. Rather the opposite; they have brought ruin and disaster in their path by the policies they have adopted and persisted in. That is the situation we have to face to-day, and then we wonder why unemployment is on the increase. Is it any wonder that unemployment is increasing? I reiterate that unless that policy is changed there is no hope for the relief of unemployment. In view of the attitude of the government to-day on this very simple but very vital question, is there much hope for a change in the attitude of those gentlemen who will be our Canadian representatives at the forthcoming conference? They are destroying our markets everywhere they can by refusing to buy, by refusing to consult parliament as to where they shall buy; and by the most highhanded procedure that has ever characterized any government under the British constitution, hon. gentlemen opposite to-day persist in this mad policy so fatal to the Canadian people. Then they say, "Why do you protest? Why are you not willing to give us a blank cheque to purchase the necessary grain and fodder for the relief of western farmers?"

Mr. MANION: Does it take ten days to protest?

Mr. STEWART (Edmonton): As the hon. member for Macdonald (Mr. Weir) said a few moments ago, only four or five days ago, standing in his place, the Prime Minister stated that he knew how much money was required to purchase seed for the relief of the western provinces. He stated the amount to the house. What, therefore, is the use of hon. gentlemen suggesting that they do not know how much is required? Moreover, have they not been told time and time again that if they will follow the constitutional practice they will get in five minutes whatever further money they require? They will get it if they will ask for it in a constitutional way. But what is the use of making the statement that the Liberals are delaying progress in this regard?

Mr. MANION: So you are.

[Mr. C. A. Stewart.]

Mr. STEWART (Edmonton): We are not doing anything of the kind.

Mr. MANION: For ten days.

Mr. STEWART (Edmonton): The Minister of Railways boasts about his red blood. When he was standing on this side he used to speak about his red blood.

Mr. MANION: You people talk about it; I don't.

Mr. STEWART (Edmonton): No, he does not to-day because a tremendous change has taken place since he crossed the floor. There is a great change in his attitude towards a good many things. My hon. friend sees through a different pair of spectacles to-day than when he was in opposition fighting the policies of the then government. But I will say one thing: The Minister of Railways would give a good deal if he had the record to point to such as the ministers whom he criticized so vehemently at that time had when they were sitting on his side of the house. He would be glad to be able to say that the institution which he administers to-day as Minister of Railways was in the same happy position it was in when administered by the Liberal party. He would be glad to be able to say that his government was making the same reductions in taxation that the government of that day made for the relief of the people of Canada. He would be glad to be able to say that his government was reducing the debt of the country. There are a great many things which he would be glad to be able to say but which he dare not say to-day because of the insane policies, if I am permitted to say so, which have been inaugurated by the government he supports so strongly.

No, Mr. Speaker; the root of the matter is not the gold standard. That is not what is troubling us to-day, nor is it the currency question. These are incidental, it is true; but the whole trouble results from the fatal policy which hon. gentlemen opposite are pursuing.

One would have thought, to hear hon. gentlemen speaking about what was happening in foreign countries, and particularly what had been done in the United States since the great war, that if the Liberal party, when in power, had only put into practice the policies adopted in the country to the south of us, Canada would have benefited very largely. And no one was more vehement in these statements than the leader of the government (Mr. Bennett), who was continually pointing to the success of the United States as a result of the tariff policies put into force in that country.

In speech after speech which he made he repeated that statement, on the floor of the house and outside parliament. Is he saying much about the United States to-day? Do we hear any speeches now about the prosperity which the people are enjoying across the line, and about the depression in Canada necessitating young men and women leaving this country? Well, they cannot leave Canada now because there is a restriction against Canadians entering the United States for the simple reason that they have more unemployed there than they know what to do with.

Mr. GORDON: They are coming back in large numbers.

Mr. STEWART (Edmonton): I am glad to know that they are coming back. But may I suggest to my hon. friend that he read some of the speeches made by members of the Conservative party when they were on this side of the house. When we were wanting to go slow with respect to immigration, what did those hon. gentlemen say? I heard my hon. friend state in this house the other night that his difficulty was the result of too much immigration. I agree with him in part.

Mr. GORDON: Of the kind you permitted.

Mr. STEWART (Edmonton): Had we accepted the suggestions which were put forward by hon. gentlemen who belong to his party when they sat on this side of the house, I can assure the minister that his difficulties would have been very greatly increased and to-day, not one or two farmers but millions of them with millions of expenditure, would be involved in those difficulties. That would have been the result if we had adopted the suggestions his hon. friends made. What was said to me in 1922 and 1923? We were then told that if we did not change our policy with regard to immigration into Canada we should not be able to discharge the public debt. Speech after speech was made to the same effect. They will make nice reading for my hon. friend if he will look up some of these statements which hon. gentlemen who belong to his party made when they were in opposition. It is a fortunate thing that immigration was kept at the point at which it was held. But that was not the point; that was not so much the criticism that was offered by hon. gentlemen opposite; their point was that it was the policies of the government then in office that were driving the young men and women out of the country.

An hon. MEMBER: Hear, hear.

Mr. STEWART (Edmonton): Well, let me say to the hon. gentleman that there are a good many young men and women in the country now who would be mighty glad to get out if they knew where to go, if they knew where they could do better.

Mr. GORDON: But they cannot do better.

Mr. STEWART (Edmonton): There are 500,000 of them who would be glad to leave.

Mr. HANSON (York-Sunbury): That is absolutely wrong.

Mr. STEWART (Edmonton): Yes, there are 500,000 out of employment, and how many more there are out of employment about whom we know nothing is another question. My hon. friends do not like this.

An hon. MEMBER: Where would they go?

Mr. STEWART (Edmonton): They might go to England and be infinitely better off.

An hon. MEMBER: England?

Mr. STEWART (Edmonton): Yes, they might go to England, which some hon. gentlemen think so little about.

Mr. HACKETT: Free trade England?

Mr. STEWART (Edmonton): Who said free trade England?

Mr. HACKETT: I did.

Mr. STEWART (Edmonton): Let me say to my hon. friend that, notwithstanding all her difficulties, England has never adopted, and I doubt whether she will ever adopt, the insane policy with respect to protection which this government has adopted. If the hon. gentleman is a student of political economics he will agree at once that if ever there was a country which perhaps would profit by a little bit of protection England is that country. But up to the present time she has steadfastly refused to adopt such a policy. I do not know what my Conservative friends would have her do if they were able to; perhaps she may adopt some small measure of protection. I say, however, that the government could reduce unemployment in Canada considerably over night if they would adopt the same scale of tariff protection in Canada that England is putting into effect. Moreover, they would have room for people in Canada. But I say to the Minister of Immigration (Mr. Gordon) that until the government changes its policy we shall never have room for anyone in this country.

For many years I have been arguing both in and out of this house against excessive protection in Canada or any other country. We have never had demonstrated how ruinous a policy of this kind can be until the present occasion. I ask my hon. friend to point out one country which has adopted excessive protection which is not to-day in difficulties, in which unemployment is not rife, and which is not unable to pay its way promptly. If he will show me one country which has adopted an excessive scale of protection and which is not in these difficulties, then I will make no more moderate protection speeches.

Mr. MANION: When did the United States stop paying its debts?

Mr. STEWART (Edmonton): I cannot prophesy what this government will do, what taxation it will bring down or how large its deficit will be, but if my hon. friend has been reading the press he will have seen that the United States has a considerable deficit under the present system. This will have to be taken out of the pockets of the taxpayers, as will any deficit in this country.

Mr. GORDON: How does it compare with the deficit in Great Britain under free trade?

Mr. STEWART (Edmonton): Under free trade that country had far more surpluses than deficits. If my hon. friend will look up Canadian history he will find that this country has had the most serious deficits when Conservative governments were in office and Conservative principles were being practised. He does not need to go to Great Britain to find an example; he will find it right here at home. He will find also that the most prosperous period in the history of Canada was during the eight years when the Liberal government was in office.

Why do I say these things? Because we are discussing unemployment. Hon. gentlemen opposite have a majority and they are going to carry on until the end of their term and demonstrate to Canada what a high tariff policy will do. If they have as much success during the next two years as they have had in the past, there will not be much left of the Conservative party. May I say to the Minister of Finance (Mr. Rhodes) and to the Minister of Railways (Mr. Manion): If you have the same success in financing during the next two years as you have had in the past, we will not have much of a Canadian National railway system.

Mr. MANION: We did not have much when you left.

[Mr. C. A. Stewart.]

Mr. STEWART (Edmonton): The time will come when the people of Canada will be totally unable to bear the burden. This is the sort of thing which must be giving the Minister of Finance many headaches. He has my entire sympathy, as has every member of the government. I do not deny for a single moment that they have a difficult situation with which to deal; it is perhaps the most difficult which has ever been faced by Canada, but I say to them: You are making it infinitely worse by the adoption and pursuance of policies which are leading to complete exclusion of trade. Canada was most prosperous when we had the greatest amounts of imports and exports. Hon. gentlemen opposite will argue the exact opposite, but history demonstrates that that is the fact. The government continue to pursue these policies and then state to the house and to the country that their difficulties are not of their own making, that they arise from conditions outside of Canada.

Why have we not heard of the Australian treaty up to date? Why the reserve with respect to treaties with countries which would be willing to trade with us on a reasonable basis? The very vigour with which the government pursue their policy of protection to the exclusion of trade, prohibits trade with any country. We are ten million people trying to live within ourselves, producing more foodstuffs than three times ten million people could consume, and our limit of production has not been reached. We are manufacturing more goods than we can consume, and we have the facilities to manufacture still more. We are mining more minerals than we can possibly use within our own country, and yet the government says: We can live within ourselves, and we intend to blast our way into some unknown markets. How silly, how futile and how helpless this government is in the face of the most serious situation with which Canada has ever been faced!

I have some sympathy with hon. gentlemen to my left who claim that our monetary system has something to do with the situation, but as I said a few moments ago, the monetary system is secondary in importance to the policies of this government with respect to tariffs. I will go as far as to say that we would welcome the bringing down by the government of a bill which would prohibit the charging of a greater interest rate than six per cent, and to make it a criminal offence to do so. We have had all the credit that is good for us in Canada, not because the policies of this government have prohibited investments in this country; they have been

limited to a large degree—I ask the most ardent supporter of a new currency: If you had $10,000 or $15,000, where would you invest it? Where could that amount of money be invested in Canada with a hope of return? I ask that question in all sincerity. Does any hon. member know where it would be safe to invest that amount? I do not know. Where could it be invested in Canada to return six per cent? Could it be invested in farming? Could it be invested in mining? Could it be invested in manufacturing?

An hon. MEMBER: I would not invest it in Beauharnois.

Mr. STEWART (Edmonton): May I say to my hon. friend that if this government persists in helping Beauharnois as it has done, that would be a pretty safe investment, just about as good as anyone would want. We will have more to say about Beauharnois one of these days, and I am thankful to my hon. friend for raising the question because it is something in which I am vitally interested. I am quite prepared to discuss Beauharnois and intend at a later stage to do so.

Where could this money be invested? Is this the condition to which agriculture, manufacturing, mining and lumbering has come? It is not credit we want, it is a different policy and a different attitude on the part of the government. That is why I am speaking this afternoon; I hope to speak on the budget and urge again this point upon hon. gentlemen opposite. They do not want advice. We were told this afternoon that minorities do not count for anything in this parliament. We knew that before, but we want to point out clearly and distinctly that unless there is a change of attitude on the part of the Prime Minister (Mr. Bennett) and his ministers to the imperial delegates when they meet in conference in Ottawa from that exhibited at the last conference, then our last hope is gone for a revival of trade in Canada and for the cure of unemployment.

The government is asking for a blank cheque. To do what? For the purpose of spending money to buy grain and fodder, the amount to be required having been stated in the house a few days ago. They have had ten months' experience in dealing with unemployment and they know exactly, or should know, how much money is required. I am not going to be critical of the ability of hon. gentlemen opposite. They do know, and why do they persist in flaunting in the face of the opposition, in the face of parliament itself, the statement that they are going to have a blank cheque, irrespective of traditions, irrespective of the rights of a free parliament, in order that they may do just as they please with it? Then, forsooth, we are told that while we are in session, the day after they pass any order in council, they will table it in order that we may know what they have been doing. It is a complete reversal of the system of parliamentary government that they should take upon themselves the responsibility first of making expenditures and then of telling us all about them after the expenditures are made.

May I reiterate: never before have the traditions of a free parliament been trampled upon to the extent to which that is being attempted by the government on this occasion. Hon. gentlemen may say that the situation is serious. If so, why in the name of common sense did they not introduce this measure over a month ago, the first day that we met? They knew they were going to be out of money at the end of February; they knew the appropriations expired then. I sometimes wonder why they do not take the responsibility in their own hands, and, quite irrespective of the fact that parliament is in session, continue passing orders in council and spending money. They might just as well do that as do what they are proposing now—to take that responsibility given to them by a majority of their own followers who trust in them. By the way, sometimes I wonder whether they really do, or whether they are overawed by the superiority of intellect behind which they are sitting. To me the proposal is unthinkable. For twenty-five years I have been in a legislature and in this parliament and I thought one question that was settled for time and eternity, so far as British institutions were concerned, was that parliament should control the expenditure of money, and of its own volition should make, amend or repeal laws. But I have come to regard the government who sit opposite me in another light. They are blazing new trails, I confess most dangerous trails. For that reason I am opposing this legislation and I intend to oppose it as vigorously as I can. Indeed, I intend to oppose it so vigorously that no more will any hon. gentleman opposite rise in his place and say that I have been a party to establishing a principle of this kind.

Mr. JOHN VALLANCE (South Battleford): Mr. Speaker, it was not my intention to take part in this discussion this afternoon, but after listening to the Minister of Agriculture (Mr. Weir), naturally I could not keep my seat. The minister had to make his

speech in order to try to excuse the action of the government in holding up the distribution of this much-needed seed.

I should like to refer to the text of the resolution before the house. It reads:

That it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

The hon. member for Humboldt (Mr. Totzke) this afternoon read a telegram received from Premier Anderson who, like the Minister of Agriculture and the rest of us, is naturally interested in seeing to it that those farmers who need seed, receive it. But in view of the attitude that has been taken by the opposition, in the beginning by my right hon. leader (Mr. Mackenzie King), in pointing out to the government that the resolution suggesting an extension from March to May would not meet the situation, I should like to read to the house a clipping from the Ottawa Citizen of March 22, which I hold in my hand, and I take it as authentic. I want the house to listen very carefully to what Premier Anderson has to say. Those of us who come from the province of Saskatchewan, in common with the leader of the opposition and the hon. member for Humboldt, each received a telegram from that gentleman. It reads as follows:

In interests of thousands of Saskatchewan farmers, victims of national disaster through drought, respectfully urge your sanction of the relief bill before Easter recess as indications are for early spring and provision of seed dependent upon passing of bill.

The Citizen comments as follows:

The above telegram was sent to-day by Premier J. T. M. Anderson to Right Hon. Mackenzie King, leader of the opposition at Ottawa. In addition to indicating his effort to have the seed grain distributed as early as possible, Doctor Anderson gave out the following statement in part.

I should like the members from Saskatchewan, including the Minister of Agriculture, to listen to what Premier Anderson had to say:

During the past year Saskatchewan suffered what has been termed by people generally throughout the Dominion as a "national disaster." This came as a result of three successive crop failures, the failure of 1931 affecting directly one-third of Saskatchewan's population. In order to meet this situation, a provincial relief commission was set up and it has been serving the needs of 50,000 families throughout Saskatchewan.

I want to point out to the Prime Minister (Mr. Bennett) and the government that if this resolution were adopted, it would not fulfil the needs of the province of Saskatchewan. It would last merely until the first day of May, and then we would find the government in a position where of necessity they would have to accept the suggestion of the opposition. I make that point just in passing and I leave it for the consideration of the house.

I was rather amused, shall I say, by some of the statements made by the Minister of Agriculture. He referred to those of my friends on this side who had already taken part in the debate, as back benchers. Might I say to him that one of the most colossal mistakes the Prime Minister ever made was in the appointment of the present member for Melfort to the very dignified and high position of Minister of Agriculture in the federal administration. I think he would have filled with some dignity and probably with some success a back bench in this house, but I think I may say, speaking for the farmer, that as Minister of Agriculture he has been an utter failure. What has he tried? There is not a policy he has evolved since coming into office that has not been a colossal error. Take his sow policy; he can go into his own constituency and he will find that just about the time the house was meeting, those farmers who accepted his suggestion and went into the hog business, when they sold the hogs that came from the sows, found there was not enough to pay for the sows they took from the Minister of Agriculture.

I was rather amused to hear the minister pointing out that the reason those eight Conservatives were elected from Saskatchewan was that the leader of the opposition had said at one time that he would not give one cent to that province. Let me point out to the minister —and he well knows it—that the only reason why the hon. member for Regina (Mr. Turnbull), the hon. member for Long Lake (Mr. Cowan), the hon. member for Rosetown (Mr. Loucks), the hon. member for Maple Creek (Mr. Swanston), and the hon. member for Moose Jaw (Mr. Beynon), the hon. member for Saskatoon (Mr. MacMillan) and the other two were elected was simply because of the promises made by the present Prime Minister of Canada. I do not have to reiterate those promises, but he told the farmers that they were lacking in markets for their excess farm products, and he promised that he would blast his way into new markets; that he would resurrect old markets, and so on. That promise, as I say, was responsible for the election of those eight Conservative members from Saskatchewan now sitting behind the government. What did he do? At the very first opportunity, which was in

the session of 1931, he moved an order of reference to the agriculture committee whereby he proposed to throw on that committee the responsibility of a pledge which he had given to the farmers of Canada. Those members on this side of the house who come from the west immediately rose and objected that the Prime Minister was throwing on to a committee of this house the responsibility that he had undertaken towards the farmers of Canada. What happened? The committee sat day in and day out and listened to many experts in various branches of the government, to Mr. W. A. Brown, chief of the poultry division, Mr. A. W. Ault, egg and poultry division, Mr. W. L. Brown, member of the firm of William Brown Company, cattle importers, Manchester, England, Mr. A. A. MacMillan, chief of sheep and swine division, and many others. What was the finding of that committee? I defy those members from the province of Saskatchewan who are to-day siting behind the government opposite to refute the statement that they are sitting there to-day, not because, as the Minister of Agriculture said, of the statement made by the present leader of the opposition in reference to not giving a five cent piece, but because of the promises that were made by the Prime Minister as to what he would do if returned to power. Here is the finding of that committee:

> In view of the situation as it presented itself to the committee it is not considered advisable to make any recommendation. Your committee, however, submit that the evidence submitted to it might be usefully studied by members of the house.

Was that any solution of the great marketing problem? I do not see the chairman of the agriculture committee in his place, but I would point out, Mr. Speaker, that concurrence in the report of that committee was never moved. Those of us from western Canada sitting on the committee moved amendment after amendment which was voted down by those sitting behind the government, and we stated that whenever concurrence in the committee's report was moved in the house we proposed to stage a full dress debate; and concurrence in that report, Mr. Speaker, has never been moved. So the Prime Minister was elected, I say, not for the reasons given by the Minister of Agriculture, but for the reasons that I have indicated.

The Minister of Agriculture before the election—he did the same thing after the election—went throughout his constituency and advised some of his followers to hold on to their surplus products because he said prices would soar if the Conservative government were returned to power. What are the facts? On July 26, 1930, two days before this government came into power, No. 1 northern wheat was selling at Winnipeg for 96·02, and in December of that year the price had dropped to 57·07. Did the Prime Minister solve our marketing problem? Has he done so even yet? Do the eight members from Saskatchewan who sit behind the government feel that they are in a position to go back to their electorate and prove to them that their election was justified?

Mr. BEYNON: May I ask the hon. member a question? Has the export of agricultural products increased in the last year?

Mr. VALLANCE: So far as the exports are concerned, it does not amount to a snap of the finger.

Some hon. MEMBERS: Oh, oh.

Mr. VALLANCE: If I had time to go into the marketing of Canada's wheat crop, I could place this government in a very precarious position. Now that the subject has been introduced I would like to take hon. gentlemen back to the Imperial conference of 1930. Whom did the Prime Minister take with him to the conference as his wheat expert? It was John I. McFarland. Where is he to-day? He is the manager of the central selling agency of the greatest cooperative organization that has ever existed in Canada. What was the first thing he did? He accepted the position only on the understanding that he would be given full control regarding the marketing policy of that great organization, and the first thing he did was to close all the European offices which served as contacts between the buyers in Europe and the pool and the farmers of western Canada. The result is that to-day those people in Europe who may be in a position to buy our wheat have nowhere to go, outside probably of the representatives of the Department of Trade and Commerce, but as long as those offices existed in Europe which had been established by the pool we could maintain close contact with the European buyer. John I. McFarland is the man who was appointed by this government, and it was upon the understanding that the Prime Minister would come to the assistance of the pools when they were in difficulty. The Minister of Trade and Commerce (Mr. Stevens) the other night pointed out that an order in council went through guaranteeing the pools. But did the government guarantee the pools? No, they guaranteed the banks. The Minister of Trade and Commerce claimed that the government had kept the market up. If that is so; it is

rather peculiar that at no time in any of the export markets of the world do you find the price of wheat lower than it is in Winnipeg. So if this government is going to claim credit for keeping up our wheat price level, they must also claim credit for maintaining the world price level. But I think the Minister of Trade and Commerce knows well enough that the portion of wheat supplied by Canada which goes into the export market is merely sixteen per cent, and how could it be expected that this government could maintain the price of the other eighty-four per cent that finds its way to the markets of the world?

I could go on talking at great length, Mr. Speaker, of the other promises which this government made, but it would only be reiterating. I say that what Premier Anderson is looking for is for legislation to be brought down to supply the needs of these fifty thousand people that we are interested in, not merely until the first of May next, but until another crop is harvested or until one is visible. I appeal to the eight Conservative members from Saskatchewan sitting behind the government to say just how soon a crop is visible in western Canada. They know well that it cannot be counted on until probably the 15th of August, because up until that time the crop has to combat all the vicissitudes of drought and all the other things that go to spoil a crop.

In conclusion, Mr. Speaker, I think the members on this side have fully vindicated our position that the government should have brought down a supply bill to look after farm and unemployment relief, and not simply until the first of May, but to take care of all the needs and not only of the province of Saskatchewan but of all the people of Canada who find themselves in a similarly precarious position.

Mr. CHARLES B. HOWARD (Sherbrooke): In rising to make a few remarks on the resolution before the house I should like to say first, Mr. Speaker, that members on this side have fully vindicated our position that we are not in any way obstructing the legislation that the government proposes to bring down dealing with unemployment and farm relief. We have assured the government repeatedly that if they will only follow the constitutional practice and bring down a supply bill, we will support it unanimously. Had the government done that, this debate would have been entirely avoided. The government knows that perfectly well, and it knows more. It knows that the rights which were fought for by the people at the French revolution, the rights and privileges which were secured for the British people at the signing of Magna Charta, and the rights which we have won in this country over a long period of years, stood at their very peak two years ago, but since then we have been backsliding from the rights that up to that time the country had gained. This government know that when they say we are holding them up so that seed wheat cannot be supplied in the west, they are not stating the facts, because if they wanted to they could put the legislation through. Furthermore they know that the government in this house to-day and not the opposition is responsible for legislation.

Let us go back for a moment to one of the outstanding periods in the history of this parliament, namely, the election of 1930. We must remember the undertakings that were made by hon. members opposite. Hon. members who have preceded me have outlined the promises which were responsible for the change of government in Canada. Chief among the statements by hon. members opposite were those concerning the relief of the unemployed. During a period of two years since their election to office practically no criticism has been made against the government; they have been given a free hand to do as they saw fit in the best interests of Canada. We remember that at the special session of parliament which lasted only about ten days, we were asked to vote the fixed amount of $20,000,000 to be used for the curing of unemployment, and to give the government an opportunity to carry out one of its election promises. The $20,000,000 voted at that time was to fulfil election promises; but what happened after that? The situation became worse and worse, and at the last session of parliament we were faced with the legislation which to-day we are asked to renew, owing to the fact that it expired on March 1.

First we voted $20,000,000, and the government spent it as they saw fit. Then we voted a blank cheque, and up to the present session they have been spending that money as they wished. Now they come back and ask for a renewal of that legislation. Never in the history of Canada did a government in power have the backing of provincial governments that this government enjoys. We must remember that this government has one provincial government favourable to it and eight legislatures of the same political feeling as are hon. members opposite. Only in the province of Quebec is there a Liberal legislature, and at this point may I say there

never was any government which gave better cooperation to a federal administration than did the Taschereau government in the province of Quebec.

This government has received from banking and financial institutions in Canada support the like of which was never before experienced by any federal administration. Banks have gone the limit in offering them support. They have followed the advice of the Prime Minister. They have done everything he has asked them to do; they have been one hundred per cent with the government in an attempt to solve the present difficulties. The credit of the country has been used; people have subscribed for loans floated by the present government, and subscriptions have been promoted without extraordinary effort, regardless of what the rates of interest might be. Never was there a time when general public opinion was so solidly behind a government. The people are saying, "We want to give this government a fair chance to make good the promises they made to the people. We want to give them a trial." Public opinion has backed the government during the past two years.

What is the situation now? The government have expended the $20,000,000 granted for unemployment relief. They have used the blank cheque as they saw fit, and have loaded extraordinary debts on the provinces. The western provinces have found that they cannot carry out their share of the bargain. The municipalities in the province of Quebec have become indebted so that they might supplement the efforts of this government to carry out the promises made during the election campaign and which up to the present time they have not carried out. In spite of that, the government accuses the opposition of obstruction. What do they say?—"Well, we have not succeeded, but give the boys another chance."

Mr. POULIOT: But they pretend they have succeeded.

Mr. HANSON (York-Sunbury): Loud applause.

Mr. HOWARD: What are the results, after two years of administration? I am not going to give figures to show the number of unemployed. I do not care to what section of the country you go—you may go to any point between the Atlantic and the Pacific, or you may visit the town of Sherbrooke—you will find conditions are serious. I believe, further, that they will become more serious. Payments from the city treasury of the city of Sherbrooke are increasing every week so that direct relief may be carried on. In the debate on the budget I shall give exact figures. I am not in the least pessimistic, but I do say that the present government have no right to come back and ask for an extension of the blank cheque, without telling us what they are going to do.

What is the industrial situation in Canada? With the exception of the silk industry, to which the Prime Minister referred, practically all industries are in a serious condition. They do not know what way to turn.

Mr. DUFF: What does the Prime Minister know about silk?

Mr. HOWARD: At a later time I shall give figures to the house concerning trade. I must say, however, that for the last two years, or from the time this government took office, trade in Canada has been decreasing. I might be willing, at this stage of the game, to give this government a blank cheque, but I would certainly want them to put the legislation through in a constitutional way. There is something in the proposed legislation, however, which is more important than would appear on the surface. Let us not be fooled. The mere matter of changing dates from one time of the year to another looks very simple, and there would seem to be nothing extraordinary in such a change. If, however, hon. members examine what has been done under the legislation of last session, and if they will look forward to the next twelve months, they will begin to realize how serious the proposed measure really is. They will realize that the Liberals and Progressives in this house are justified in the stand they have taken.

Let us see what has happened under this legislation. We find that under it the government has guaranteed advances to the Beauharnois interests, a private corporation in Canada.

Mr. DUFF: Hear, hear.

Mr. HOWARD: On any previous occasion has a government guaranteed a private corporation? I can think of only one occasion, namely when the Taschereau government backed the Banque Canadienne Nationale. Outside of that I do not think any guarantee has ever been given. It would seem, therefore, by guaranteeing advances to the Beauharnois company they are creating precedents. Without consulting the elected members of the people this government changed the Bank Act. This is getting more serious, though I want to say that I am not criticizing the change they made in the Bank Act; I am one hundred per cent in favour of what they did.

Mr. HANSON (York-Sunbury): They did right.

Mr. HOWARD: Yes, they did absolutely right; there is no question about that, but what right had the government to amend the Bank Act without submitting that question to this House of Commons, the elected representatives of the people? The government undertook to fix the prices of stocks in order to prevent tremendous losses to the public, and they did right, but let me ask this: Did they fix the prices of agricultural products? A man who was carrying wheat with his banker at 60 cents a bushel got into difficulties when the price dropped 20 cents; and his banker said to him, "My dear boy, we cannot carry your wheat because the price has dropped 20 cents a bushel. You will have to increase your margin." That was the position in which the other fellow found himself, but did this government guarantee the price of wheat? They did not, but they guaranteed the prices of stocks; they took one stock which was worth only $10 and set the price at $25. They did not have the courage to say to the farmer: "Your wheat will be worth so much," although the man with wheat had just as much right to have prices fixed for him as the man carrying stocks in the province of Quebec.

Mr. BOWMAN: Would the hon. gentleman mind telling me to what stock he is referring, which had its price fixed at $25?

Mr. HOWARD: I could give a list as long as your arm, but I will just mention one. There was the Detroit International Bridge bond, which to-day is worth only $3, but which was valued at $25 by the insurance department.

Mr. BOWMAN: What did the government have to do with fixing that price?

Mr. HOWARD: I will only refer my hon. friend to the remarks of the Prime Minister the other day; those are his own words, as my hon. friend will find on looking up Hansard.

Mr. BOWMAN: I heard the Prime Minister's speech but I did not hear him say anything about fixing the prices of stocks.

Mr. HOWARD: Further, Mr. Speaker, I claim that it was not necessary for the government to take that action, that the superintendent of insurance could have placed a valuation on those stocks without any necessity for an order in council being passed.

I am only stating these things to show the seriousness of this legislation that is before us, and now we are accused of holding up the business of the house and delaying the giving of relief, because we will not open up and pass this extraordinary measure. A discussion took place in this house with regard to insurance securities. I say again I am one hundred per cent in favour of what was done by the government; in our present situation extreme measures are necessary, but who put us in these difficulties? Of course, now hon. gentlemen opposite will blame them on world conditions, but I want to tell you, Mr. Speaker, that before 1930 they did not say anything about world conditions; it was all the fault of the previous government.

As six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. HOWARD: When the house rose at six o'clock I was discussing the fixing of prices under the blank cheque legislation, so far as it affected the chartered banks of Canada and bank stocks and securities. As I said then, I am absolutely one hundred per cent in favour of the fixing of prices, as has been done. But I am directing the attention of the house to this matter to-night because, in my opinion, this legislation has not gone far enough and because, further, I wish to show the dangerous features of legislation of this sort when such an enactment is not submitted to the House of Commons. Furthermore, I do not think that the parliament of Canada should legislate with respect to certain classes and not extend benefits to all other classes.

As regards the securities held by the banks, I have here a copy of the order in council that was passed making that legislation possible. In my section of the country as well as in other parts of Canada the prices of farm products have not been fixed. Take, for example, the butter situation in the eastern townships; take the prices of cream and milk in those townships, and the prices of all kinds of dairy products. At the present time the farmers in the townships produce hogs which they ship to Montreal, selling them at from 4½ to 5 cents per pound live weight, so that it can be seen that they do not secure actual cost of production at that figure. Yet in face of such a situation, prices of agricultural products have not been supported, but the government is singling out collateral held in the banks, as pointed out this afternoon, and a price is fixed to prevent any reduction.

I am going to offer a word of criticism which possibly will bring out later on some

explanation in regard to the handling of the monetary system, the gold standard, during the past four months. Under this very same legislation which we are being asked to-night to extend from March 1 to May 1, Canada virtually went off the gold standard. The Prime Minister said time and again, in interviews throughout the country, that we were not off the gold standard nor would we go off it.

Mr. BENNETT: Pardon me, Mr. Speaker. No such statement was ever made.

Mr. HOWARD: Well, I have not the right—

Mr. BENNETT: Exactly; no such statement was ever made.

Mr. HOWARD: That we were not off the gold standard?

Mr. BENNETT: We were off the gold standard, as hon. gentlemen understand it, since 1929, when the former Minister of Finance shipped $40,000,000 of gold to New York.

Mr. HOWARD: I was going to make the observation—I am glad of the correction—that that has been published in the newspapers throughout Canada.

Mr. BENNETT: No.

Mr. HOWARD: I will produce the clipping. At any rate we have been off the gold standard because only a few weeks ago we came back on it, as many newspapers broadcast the fact that we had done so. And we came back on the gold standard in this way. A clause was inserted by the government allowing the exportation of gold only by a permit system; and under this system the payment of the difference on American exchange was practically putting us off the gold standard. What did that situation create in Canada? If we wish to develop this country we are not so keenly interested in what we have to buy from other people, as the government says, but we are keenly interested in what we are going to sell; and if we are going to maintain the price of money in Canada it means that we are not going to be able to sell in the markets of the world where they have depreciated currencies. As a matter of fact, the sales of our merchandise in England fell off very considerably during that time.

I do not like the suggestion that if this legislation is held up seed grain cannot be issued and that the people in that section of the country will suffer because of the opposition that has been put up so far. I hesitate to endorse this legislation for this reason. Considering what has been done in the past, if we renew this mandate and pass the legislation now before us, what can we expect to happen in regard to any legislation that comes down in the near future? Let us take one piece of legislation. A committee has been investigating one of the greatest problems that Canada faces to-day, namely, the railway situation. That report probably will not be brought in in time to be dealt with at the present session of parliament. Suppose it did not come in. Under the legislation we are asked to grant to-night this government would have the power to do with that report whatever it might see fit and to act upon it in whatever way it might wish. I submit, therefore, that it is not fair to ask the house to pass this legislation in the form in which we have it before us.

Mr. BENNETT: Surely the hon. gentleman must know better than that. This legislation expires on the first of May.

Mr. HOWARD: That is exactly the point. This legislation will expire on the first of May, and the Prime Minister probably figures that this parliament will be dissolved and the house will not be in session on the first of May, and consequently this legislation will continue and allow the government to do as they please.

Mr. BENNETT: It will expire whether the house is in session or not.

Mr. HOWARD: But after that you can do what you like.

Mr. BENNETT: No, because the legislation will have lapsed.

Mr. HOWARD: Let me say this and see whether it will be contradicted. The House of Commons is in session to-night, and the members are ready to deal with all questions and bills on their merits. But instead of that the government wants power, while we are sitting here, to handle the situation by orders in council as it may see fit. I believe, Mr. Speaker, that there is behind this legislation something which we do not see on the surface. If there is some legislation which the Prime Minister does not want to submit to the house we should be informed of it now, as I certainly am suspicious. I do not think we know the whole story when we are asked to grant this blank cheque legislation in its present form.

I am now going to offer a few words of criticism of the administration in the past few months, and I wish to say something first in connection with the national service loan. The national service loan was floated in Can-

ada and the Canadian public handed over its money to the government to be used for the benefit of the country. But the loan was floated at five per cent, which I regard as too high an interest rate for Canadian financing in these times. I believe that the committee in charge of the national service loan could have had the money subscribed just as well at a lower rate of interest than five per cent. Let me point out as emphatically as I can where this has brought us. The city of Montreal, whose credit is as high as any city in Canada, had to float its loan at 97. The interest rate was six per cent but the return to the purchaser was more than that, and the cost to Montreal nearly 6¼ per cent. The province of Ontario, whose credit has been excellent not only throughout Canada but throughout the world, had to float its bond issue at 97. The interest rate was six per cent and the return to the purchaser was above that figure.

Labouring men are working for less than $2 per day and the price of farm products is at a very low level. The discrepancy between these high interest rates and wages paid is too great. This discrepancy is unnecessary and, to a large extent, has been created by the flotation of the national service loan at a high rate of interest. The bonds converted by the conversion loan were selling at above par, but after this loan came out at five per cent interest it was natural that the old bonds would decrease in price. To-day they are selling at 91, so those who were good enough to convert their bonds have suffered a monetary loss. I do not think that that is fair treatment.

Up to the present time the Quebec government has not floated a loan; it is still waiting and intends to wait until the other loans floated in Canada at high interest rates have been taken up and the banks are satisfied to carry the account of the provincial government. When this occurs a Quebec loan will be floated and I am sure it will be at a much lower rate of interest. If these rates continue it will mean that money for legitimate business, and that is what we need most in Canada, will be charged such a high premium that no business can succeed. Present rates of interest are too high especially when compared to the wages of labour.

Since speaking this afternoon I have obtained a pamphlet which shows the percentage of unemployment increase during the last twelve months in the different countries of the world. New Zealand is at the top of the list and Canada stands fifth. That country which was in such dire straits some time ago, England, has the honour of being second from the bottom—her increase in unemployment has been only 12 per cent while Canada's has been over 80 per cent.

The people of Canada are looking forward to the Imperial conference with a great deal of optimism. I hope that great things will come from that conference and that the government will be able to complete negotiations with the countries within the empire with beneficial results not only to Canada but to all the empire. I want to go on record as saying that if the present government makes a success of the Imperial conference it will be because it adopts the principles for which the Liberal party has been fighting since 1896. We hope to sell wheat, we hope to sell lumber and we hope to sell a lot of things to Great Britain, but I ask hon. members opposite to think over what we can purchase from England, because, after all, you cannot make a one-sided bargain.

I hold in my hand the report of the dominion director of unemployment relief. I think the relief in my constituency has been handled in an excellent manner. This has been done through the provincial government, as provided for by the legislation. and through the municipal councils. The relief in the city of Sherbrooke has been extremely well handled. On pages 13, 14 and 15 of this report will be found the allotments for the provinces of Quebec, giving the percentages paid by the municipalities, the province and the dominion. I knew that certain works had been authorized in the section of the country from which I come. I looked for these in this tabulation but I looked in vain. On turning to page 65 I found that money had been expended under the act directed by this government, without passing through the provincial government's hands. I know that has been provided for in the act, but I do not think it is a fair way of handling the money nor do I think it is the way it should be done.

I have many other matters which I should like to discuss, but I shall make but one more comment before I finish. This government has been in power two years but I cannot see that the province of Quebec has benefited in the least. I should like to mention one matter to the Minister of Agriculture (Mr. Weir). A farmer in Sherbrooke county, a man who has been in business for a considerable time, went out west last year to purchase fattening steers. He shipped them from the central west to Waterville, Quebec. He fed the steers throughout the winter and when he decided to export some of them he found to his suprise that although he had paid the freight rate from the west, he would have

to pay the export rate from Waterville to Montreal, which rate happens to be higher than the domestic rate. This means that the people in my section of the country will be penalized if they want to purchase stock in the west to fatten in the east for export purposes. If the government is going to make it easier to agriculture in my section of the country it should look into just such matters as this. The Minister of Agriculture should make it easier to have more western cattle shipped into the east for fattening purposes, which would be of great benefit to this section of the country.

Hon. W. D. EULER (North Waterloo): Mr. Speaker, as one who desires to see the business of parliament conducted in as reasonably expeditious and efficient a manner as possible, I hesitate to prolong a debate which has gone already to a considerable length. However, my opposition to the principle involved in this resolution is so strong that I feel it becomes my duty to register a protest.

In my opinion, this question resolves itself into three primary features. First, it proposes to give authority to the cabinet to spend an unlimited sum of money without reference to parliament. Second, it proposes to give to the cabinet the power to make or change laws already made by parliament. Third, and the most extraordinary, it proposes to delegate these powers to the cabinet at a time when parliament itself is in session.

It is not denied by anyone that it is not only the inherent right but the responsibility of parliament to exercise control over expenditures. Parliament has an equally inherent right to make the laws of the country. It is also true, and I think my hon. friends opposite, members of the government, will admit, that such undoubtedly primary rights of parliament should never be surrendered by it except for the very strongest reasons and when any other course might result in disaster to the nation. If I were convinced that the method proposed by the government were the only one possible in order that they might properly cope with the difficulties with which they are contending, I should raise no opposition to the resolution. I listened with interest to the speeches made by the members of the government, in an attempt to give reasons why this was the only method which they could logically adopt. I listened perhaps with greater interest to the speech which the Minister of Trade and Commerce (Mr. Stevens) delivered some time ago. He usually argues in a very logical and convincing manner, and although he does not always convince me, I give him credit for a method of debate and argument which is impressive and convincing in most instances. But it seems to me on that occasion he laboured to prove himself wrong. He laboured to prove that the resolution was wrong in principle.

Mr. STEVENS: I was sorry for my hon. friend.

Mr. EULER: It was not necessary. Under that portion of the legislation which gives the government power to do by order in council anything that parliament would otherwise do, he attempted to justify the orders in council which were passed during the recess by saying in one instance—and I am speaking now from memory—"What else could we do while parliament was not in session?" Thereby he gave the reason why this resolution should not pass, namely, that parliament is in session and could itself deal with the questions which otherwise the government alone could deal with. During the next month and a half can anything happen with which parliament itself might not reasonably expect to be able to cope? If there is anything the cabinet can do better than parliament, that might be regarded as a reason for parliament handing over to them the power to do it. But here we are, ready at a moment's notice to pass any legislation which they might consider necessary.

I listened very attentively to the Prime Minister (Mr. Bennett), his colleagues in the cabinet and other hon. members opposite for a convincing reason why we should so alter the regular procedure of parliament as to divest ourselves of all our powers in order to hand them over to some sixteen or seventeen gentlemen of the cabinet who, supermen as they may be, are after all not superior in their collective wisdom to all the members of the House of Commons. But I have heard nothing. We are told that the blank cheque that is being asked for is required for the purposes of farm relief and in connection with the relief of the unemployment generally. The Minister of Agriculture (Mr. Weir) this afternoon, probably quite in good faith, made an effort to give to the country the impression that unless this resolution were passed, the farmers of western Canada would not receive relief by way of money for the purchase of seed grain and so forth. That impression, if it went abroad, would be incorrect, because, as has been reiterated time and again during the course of this debate, if the government asks the house for any reasonable sum for the relief of the unemployed or of the farmers in the west or elsewhere, this side of the house —and I think I may speak for all of it—is

prepared immediately to grant it that sum of money. I think the people of Canada should understand that clearly. There may be a danger of the impression going abroad that the opposition in parliament is deliberately attempting to withhold from those who need the money that which is necessary for them to carry on. Such is not the fact. There is not on this side of the house a man who will not do all he can to relieve distress throughout the dominion, whether it be on the farm or in the towns and cities. But we are not ready to give away to sixteen or seventeen estimable gentlemen the powers of parliament, nor have we any right to give away the authority we received from the electors who sent us here.

I should like again to ask of the government: Why do you seek this power? Why is it necessary? Why depart from the regular procedure of parliament and take a step which is unprecedented in any democratic country? The Prime Minister has been called by some of my friends on this side an autocrat, a despot and a dictator. I am not going so to designate him. I believe he is sincere in that which he is attempting to do. Naturally those who in past years have not had what I might call the experience which makes it necessary to yield sometimes to the opinions of others, to compromise a bit now and again, and who, I was going to say, have more or less of a superiority complex—I am not saying that in a derogatory way—find it just a little difficult to act under restraint. They like freedom of action. Perhaps I might use a slang phrase and say that it cramps their style if they are not absolutely free to do what they please. But, after all, the Prime Minister and his colleagues of the cabinet should realize that so long as we have a semblance of democratic government this administration must submit itself to the very restrictions upon which democratic government is based. I am usually fairly temperate in my language, but it is an astonishing demand that for a period of two months—

Some hon. MEMBERS: One month.

Mr. EULER: —well, now a month and a half—just precisely during the period that parliament may be expected to be in session, they propose to take from the house the authority which properly belongs to it and to it alone. Last year the Prime Minister still had a reasonable amount of respect for parliament. When the legislation was passed at that time he provided that it should expire at the end of February, the assumption being that by the first of March parliament would be in session and could itself deal with those questions as they arose. But this year, rather than take similar action, he almost deliberately, one would think, fixes the period during which this new legislation shall be in force as that during which parliament may be expected to be in session.

Mr. MANION: Does my hon. friend prefer that he make it six months instead of two?

Mr. EULER: Not at all. I would object just as strongly to that. My hon. friend is usually fair-minded. I would ask him: Is it only a coincidence that this legislation is to expire on the first of May, which is about the time when most of us were hoping we might be relieved of our duties in the house? This seems to me almost like a challenge to the supremacy of parliament.

Mr. LAPOINTE: It is.

Mr. EULER: Perhaps it is an effort to establish a new principle in government; I do not know. We have had examples of it in other countries. Perhaps the Prime Minister is now attempting to establish, as my hon. friend the Minister of Trade and Commerce said was established last session, although I do not agree with him, that the creature is greater than its creator.

Mr. MANION: Would my hon. friend permit me a question? How does he claim that this is a challenge to the supremacy of parliament if the majority in parliament supports the government in its action?

Mr. EULER: In answer to that, if we followed out my hon. friend's interpretation of what parliament may mean, there would be no such thing as democracy. After all a minority has some rights.

Mr. LAPOINTE: The majority might decide to abolish parliament. Would the Minister of Railways say that that was right?

Mr. GORDON: The minority does not rule.

Mr. EULER: The Minister of Labour (Mr. Gordon) has just raised a point upon which I was going to comment. The Prime Minister this afternoon, perhaps in an aside, intimated that a minority never rules. If my hon. friend wants to carry that to its logical conclusion he might just as well say to us on this side of the house that we might as well stay at home. But my conception, Mr. Speaker, although I am in the minority, although I am not a supporter of the government, is that I am sent here, as is every other member of this house whether on the government side or

on this, to represent his constituents, and he may hope, although perhaps unreasonably so, that occasionally some suggestions of his may influence those who sit in the seats of the mighty on the other side.

Mr. STEVENS: But the minority should determine what should be done; that is your position.

Mr. EULER: Not at all, but I would remind my hon. friend of an old saying, that minorities are usually right, and I would commend that to his consideration. That is all I have to say, Mr. Speaker, with regard to what is sometimes called the constitutional aspect of this question. I am not an authority on constitutional government, but it does seem to me eminently reasonable that this parliament ought to keep its power within itself, especially at a time when it is in session. I could make some excuse for the government if they said that during the recess an emergency might arise in which they should have extraordinary powers. That is debatable, and the government might make out a good case, but for the life of me I cannot see why they should ask for this authority when parliament is here assembled ready to act at any time.

I will say this further. This discussion has been carried on at great length. I think sometimes the time of parliament is wasted, and we on this side are as much to blame as those on the other side, sometimes perhaps more. But I do not believe that this discussion has been a waste of time. I believe that the people of Canada, when they are thoroughly seized of the importance of this particular resolution and of the bill to be founded upon it, will justify us in what we are doing. I would say this further, and I am speaking for myself alone: I would invite the government, if it feels that we are blocking legislation deliberately and not with the interests of the country at heart, to apply the closure, and we are quite willing to abide by the decision with regard to it.

Mr. STEVENS: Is that all you want? That is what the opposition is for.

Mr. EULER: I am speaking for myself alone.

Mr. STEVENS: That let the cat out of the bag all right. All you want is closure.

Mr. EULER: If my hon. friend will allow me to proceed, I should like to say a few words with regard to unemployment itself.

A good deal has been said with regard to the promises made by the Prime Minister. I am not going to refer to them. They have not been kept. It was not possible to keep them, and the only comment I would make with regard to them is that intelligent and capable a man as the Prime Minister is, I can hardly conceive that he himself did not know when he made the promises that it was not possible to keep them. But what is more important is that a remedy should, if possible, be found for the condition in which this country finds itself. I am frank to say that I do not know what the remedy is. I have heard a good many suggestions made. Some think that our currency is at fault. Some think that the restoration of the balance of trade is a tremendous accomplishment and must result in great good. Others say that the war debts must be wiped out. Others think that we should have shorter hours of labour. Some even believe that we should introduce the era of socialism. But the only definite remedy which the government has advanced and applied has been an increase in the tariff to unheard-of heights. I think it is fairly well known that I am more or less a believer in reasonable tariffs, although I have never been what my hon. friends might call a high protectionist. I have never believed and do not believe now that a country can live to itself alone.

Mr. MANION: A tariff of 42 per cent on furniture was pretty good.

Mr. EULER: My hon. friend speaks of furniture. I am not personally interested in it, but the people of my city are very much interested in that industry. I would point out that despite the fact that the government have put the tariff on furniture up to 40 or even 45 per cent, together with the increased valuation which the Minister of National Revenue is empowered to fix, there are to-day more furniture mechanics walking the streets of Kitchener than ever before. In fact, some of the factories are closed down entirely.

Mr. MANION: My hon. friend put a 42 per cent tariff on furniture himself.

Mr. EULER: Yes. I was proceeding to say, Mr. Speaker, that I do not believe in that kind of a tariff which absolutely excludes the importation of goods from other countries. I could read, if I cared to, from a speech made not long ago by one of the greatest industrialists in Canada, but I have not the time. He condemns extremely high tariffs because he says they must necessarily lead to reprisals, and that has already taken place. Take my own city of Kitchener. I did not intend to refer to this, but my hon. friend has mentioned it. The market in New Zealand for rubber products has been entirely destroyed because

of the action of this government in imposing a prohibitive duty against New Zealand butter. I have been hoping day after day that my hon. friend the Minister of Trade and Commerce would come along with his treaty, which perhaps would give some encouragement to the people of my town in particular, that they might have their trade with New Zealand restored. That is not an isolated case, but I have not time to go into the matter further at this time.

Mr. STEVENS: It was the government of which my hon. friend was a minister that abrogated the New Zealand treaty.

Mr. EULER: The government of which I was a minister did not put a tariff of eight cents a pound on butter. I am not going to deal any further with the tariff because a discussion of that would perhaps be more fitting when the budget is brought down.

If I were to give one cause for the depression which now exists, and I recognize as factors in the situation the causes which I have already recited, I would say that perhaps the system under which we are working—call it the capitalistic system if you will—our economic system has been outgrown by the necessities of the case. We have developed and grown industrially in such a way that the system under which we are now working needs either to be scrapped or very substantially modified. I presume that some of my friends will say that I am practically talking socialism. I am not, but I do believe this, and perhaps this is a pretty drastic statement, that either capitalism as we have it to-day will break down altogether or we must modify it in such a way that it will meet the needs of existing conditions. There is a lack of confidence in the country. In years gone by, during previous elections, we used to hear what we called blue ruin talk. It destroyed confidence. We have plenty of blue ruin talk just now, and perhaps there is plenty of justification for it. It is true that there is a lack of confidence. If I may, Mr. Speaker, I should like to mention one matter which I think is regrettable. Perhaps the circumstances to which I am about to refer were unavoidable, but they have led to a loss of confidence in Canadian public men and public institutions. I refer to scandals like the Beauharnois, and some others I might mention. I am not going into the Beauharnois transaction in detail. For my purpose it is sufficient to say that the Beauharnois matters are most regrettable. I am making no excuse for anybody or for any practices which may have developed, but state merely it does not look to me fitting that, in street parlance, the pot should be calling the kettle black. I am afraid the people of this country have come to the conclusion, unjustly, that all political parties—I am saying all political parties—are corrupt, through and through. The people have lost confidence in them. I say that loss of confidence is unjust because I believe the proportion of honesty and sense of duty is just as great among members of parliament as among any other classes. I suggest that when history is written the greatest crime of all recorded in connection with Beauharnois and some other enterprises will be the fact that these great natural resources which ought to have been preserved for the welfare of the people of Canada have passed over to private interests.

A minute ago I mentioned socialism. Remaining an individualist I am not particularly afraid of the word "socialism." For a good many years Canadians have in many ways been socialists, and perhaps to some extent communists. We live in communities; we have community schools; we have community enterprises of various kinds In some of our towns and cities, and especially throughout the province of Ontario, we find all our public utilities under public ownership. As I have said, however, I am still an individualist, but go so far as to say I believe the great public services of the country, upon which the prosperity, convenience and happiness of nearly all the people depend, should be under the control of the public.

As I said a moment ago, we must make changes, adaptations, qualifications or modifications in our present system. I was pleased to note that the resolution offered some time ago by the hon. member for Red Deer (Mr. Speakman) was accepted, and that arising therefrom we may expect an intelligent study of a tremendous world problem so that proper action may be the result. Such a study cannot be carried out in a day. As a matter of fact I am not convinced as to just what should be done. I do believe, however, that unless we modify our system and gradually bring about some changes, we stand in danger of changes coming through violent means and in ways we would not desire. I would say that in a land of plenty such as Canada there should be no want and no distress. If it be true—and no doubt it is—that there is plenty for everyone, yet some are suffering want and privation, it must follow that some people have more than they ought to have, while others have less than they need. I am led to repeat what my hon. friends in the corner of the house have said, and with which I absolutely agree, that there is not a proper dis-

tribution of wealth, and that workmen are not getting the full share to which as a result of their labours they are entitled.

From time to time we have heard that machinery has been the cause of unemployment. Some people have suggested that at least to some extent we should do away with the operation of machinery. I do not believe in that policy; on the contrary I believe in the full development of machinery so that it may be a real labour saving factor. Let labour receive fair advantage from the inventions of labour saving machinery. There are people who believe that men should work for the sake of working, because Satan finds mischief for idle hands to do. I do not believe that. If machinery can produce cheaply and plentifully it might very well be used to the advantage of labour, so that men would not have to work from early morning until late at night and would be afforded an opportunity to enjoy the pleasures and blessings of life.

There has been no basic remedy for conditions as we see them to-day. The only one which has been tested, and announced as a remedy, is the increase of tariffs. If we cannot find an immediate and complete remedy —and I know we cannot—then we must take steps to relieve those who are in want. Hon. members on the government side have lodged the criticism that we have made no practical suggestions. I am loath to make suggestions, and yet I would agree with those who have recommended some form of unemployment insurance. Just what the form should be I am not prepared to say. I advance the more or less practical suggestion, for the consideration of the government, that labour is entitled to just as much consideration as is capital. In the conduct of a well organized business, whether it be a bank or an industrial concern, a reserve fund out of profits is laid by against a time when business may not be so profitable. Hon. members will find that such concerns usually maintain the same rate of dividend in years not so prosperous as in years when business is good. In that way capital gets its return every year out of profits. If that is true why should not the same action be taken so far as labour is concerned?

A few days ago my attention was directed to an illustration which at this time I might very well describe. Let us suppose a machine cost $1,000. From year to year that machine is wearing out and we may suppose that its life would be only ten years. A prudent business man will set aside a reserve of ten per cent per year against the depreciation of that machine. At the end of ten years it would be paid for. Then, let us imagine that that machine is a black slave. From year to year the energies of that slave would deteriorate, and after a period of ten years he might not be able to labour for his master. If the master is wise he will set aside an amount for depreciation so that at the end of a ten year period the slave is paid for. Then the rather striking interrogation presents itself: If that can be done for a black slave, why should it not be done for a white working man? Is that not a fair question? I advance the suggestion that from the profits of industry made during prosperous years there should be set aside a reserve from surplus gains against a time when there may be unemployment. Such a fund might well be used for the relief of the unemployed. I fully expect the criticism that business cannot stand an extra charge when it is in competition with other countries. As a partial answer I submit that it would be no harder for business concerns to lay aside a certain amount in prosperous years than to contribute heavy taxes for the relief of unemployed.

I have spoken longer than I had intended, and it may be that I have not made any constructive suggestions. I rose with the intention of registering my protest against the provisions contained in the resolution before us. I realize that the questions the government has to solve are very difficult. Quite sincerely I want to assure them that so far as I am concerned—and I think I speak for all hon. members on this side of the house—I am perfectly willing to cooperate, where cooperation is possible. Though things are difficult it seems to me it is only a challenge to intelligent men to go forward. The race has progressed and surmounted difficulties in the past that seemed insurmountable, and it will continue to do so. So it seems to me that it should be possible, with men of intelligence and good will, gradually to develop our institutions so that in this land of plenty every man may be rid of this fear of the future, which is with all of us, and be assured that if he is willing to work, provision will be made for himself and his family.

Mr. WILLIAM DUFF (Antigonish-Guysborough): Mr. Speaker, I have remained quietly in my seat for the last fourteen days and listened to the hon. members of this house, on all sides, debate the resolution now before us. Unlike some of the hon. gentlemen who preceded me, I felt it was not my place to criticize any of the remarks which hon. gentlemen have made. We are here, sir, representing people in all parts of Canada;

we are sent here by our constituents to voice their opinions, and consequently as I sat in my place and listened to the various speeches, I felt that hon. members were presenting the views of their constituents and had a perfect right to do so without criticism from me. However, after the hon. member for Melfort, the Minister of Agriculture (Mr. Weir) spoke this afternoon, I thought perhaps it might be well if I said something with regard to this resolution.

I have had the honour, sir, of sitting in this house for some seventeen sessions. I came here in the session of 1918, but even when I was a back bencher and a green youngster from the county of Lunenburg I never had the gall to get up in my place in parliament and refer to other members of this house as back benchers.

Mr. COWAN (Long Lake): Too bad.

Mr. DUFF: Yes, it is too bad that, after this government has done honour to the hon. member for Melfort by making him a cabinet minister and a privy councillor, he should come to parliament and insult members on both sides of the house who do not happen to sit in the seats of the mighty as members of the cabinet.

We have been here discussing this resolution for fourteen days, Mr. Speaker, and what is it we are discussing? The resolution suggests that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8 and substituting the word "May" therefor. This resolution appeared on the order paper, if I remember correctly, about February 25, four or five days before the act expired. In this parliament during the session of 1931, we passed an act which is known as chapter 58 of the statutes of 1931. That act was brought in during the dying days of the session, and was assented to on August 3, giving certain powers to the government of this country in the interests of the people of Canada who were unemployed and the farmers who needed relief. When the act was introduced in parliament, on both sides of the house it was thought necessary to give the government certain extraordinary powers, and we of the opposition were very glad indeed to join with the government in passing that act.

We have been told by the Minister of Agriculture,—this back bench minister,—and we have been told by other speakers on the other side of the house that we are obstructing this legislation. It is amusing to me, sir, as a fairly old member of this parliament, to hear hon. members who have not been here so long as I have, hurl across the floor of this house the charge that we are obstructing this bill and obstructing the legislation of the government. I have not quite as short a memory as other people have. I sat on the government side of the house for nine years, from 1922 to 1930, and I never objected if during that period my hon. friends the Minister of Justice (Mr. Guthrie), the Minister of Trade and Commerce (Mr. Stevens), the Minister of Railways (Mr. Manion), or the Minister of Public Works (Mr. Stewart), thought it was their duty to get up and not obstruct but discuss the legislation before the house so far as they felt it should be discussed. Then why, sir, should we independent members of this parliament, who have been sent here by our constituents, have the accusation hurled across at us that we are obstructing this particular legislation? I say, sir, it is an insult to all the hon. members who are sent here by their constituents and told to go into all the phases of legislation and do their duty as they see it. I say it is an insult to the members on this side of the house and, as well, to any member who felt it necessary to get up and express his views on the floor of this free and independent parliament.

Now, what about this legislation? We passed this act in 1931 for a special purpose, and section 8 of the act stated that it was to expire on March 1, 1932. I think the opposition were very generous to the government in the first days of this session, Mr. Speaker. We met here on the fourth day of February, and certainly then the government knew it would be necessary to introduce some legislation with regard to the unemployment and farm relief problem. In order to show our good will towards the government, inside of a week we passed the speech from the throne, and left the door wide open for the government to introduce any legislation it saw fit. If the government had been seized of its duty to the people of this country who were told during the election of 1930 that this government would end unemployment, the first legislation they would have introduced, immediately the speech from the throne was passed, would have been a bill with regard to unemployment and farm relief. My hon. friend the Minister of Justice is a good speaker; during the campaign of 1930 he told the people of this country that if they would turn out the Grit government and put in the Tory government, the Tories would end unemployment in three days.

Mr. GUTHRIE: That is not right.

Mr. DUFF: Does my hon. friend deny that?

Mr. GUTHRIE: Yes.

Mr. DUFF: Then I take his denial, but I want to say to you, Mr. Speaker, that it is very strange that no matter what we on this side of the house see in the newspapers of this country—and I have a great respect for newspaper correspondents—and no matter what we quote from the newspapers, every time we make such a quotation hon. members sitting on the treasury benches get up and say they have been misreported. While I must accept my hon. friend's denial, I am rather surprised to hear it. I did see a report of his speech in a newspaper of that time, in which he was reported to have said that this government would end unemployment in three days. Now he says he did not make that statement, and I must accept his denial.

Mr. GUTHRIE: I have explained it three or four times.

Mr. DUFF: My hon. friend's explanation has always been a denial, but his leader also made a similar statement. I remember listening, with a great deal of interest, to a speech made by the right hon. Prime Minister (Mr. Bennett), who was then the leader of the opposition, in the town of Antigonish in my constituency. The leader of the opposition of that day, the gentleman who is now Prime Minister of this country, in my hearing made the statement that he was going to end unemployment, and I thought perhaps he knew more about it than the then prime minister or the members of his cabinet surrounding him at that time. That was in June, 1930. Almost two years have passed since the Prime Minister made that statement, and while it is true that at that time in Nova Scotia and in other provinces there was some unemployment, what is the condition to-day? The condition to-day is at least four times worse than it was then. Yet the government of this country in the year of Our Lord one thousand nine hundred and thirty-two, after we have given them every opportunity to introduce their policy in regard to unemployment, have come down eight days after the expiration of the act which we passed in 1931 and have asked us to resurrect that dead statute, a statute which expired on March 1. I want to say to you, sir, that I am rather surprised that with your knowledge of parliamentary procedure you have allowed this debate to go on.

Mr. SPEAKER: Does the hon. member suggest that it should stop now?

Mr. DUFF: In answer to your question, sir, I would say this, I should have been very glad indeed if this debate had stopped fourteen days ago. If the ministers surrounding the Prime Minister—I will leave the Prime Minister out—from the Minister of Justice down to the back bencher who is occupying the position of Minister of Agriculture, had said to the right hon. gentleman, "Your action in this matter is all wrong. There is necessity in this country with respect to unemployment; there is need to vote money for the relief of unemployment, for seed for farm relief, and we ask you to drop this resolution, which is illegal and out of order,"—if they had said this to the Prime Minister and he had come to parliament and said, "We want $50,000,000 or $100,000,000 or $150,000,000", I should have been glad to vote for it so long as the government told us what it was for. In further answer to your question, sir, may I say this. If the Prime Minister will walk in now—or, if he feels embarrassed, he can get the Minister of Justice to do it—and will drop this resolution and bring in a supply bill, or if he will get the Minister of Finance to bring in a supply bill for whatever amount may be required, we on this side of the house will gladly join with him and pass that supply bill within the next half hour.

An attempt is being made to place upon the members sitting on this side of the house the responsibility for the delay in the passing of this legislation. But that will not go down with the people of this country. We fought the constitutional question in Canada in 1926 and we are going out now and will fight it again. We who are sent here to represent the constituencies in Canada, from the Pacific to the Atlantic, are going to see that constitutional practices are observed in this country. There is no excuse for this government to say to us now that we must resurrect a dead bill, a bill which cannot be resurrected under the rules of parliament. I have no hesitation in saying that in view of the fact that this bill expired on March 1 this resolution is out of order, and consequently this discussion is also out of order, and I feel that you, Mr. Speaker, should not allow the discussion to proceed.

Why did not the government introduce this legislation in a regular manner? In the dying days of the session of 1931 the government introduced a certain resolution, not a resolution to try to revive something dead and buried, because if we can resurrect this act of 1931 we can revive it ten years hence. It makes no difference whether the act is dead one day or ten years; if it is true, as we are

told by hon. members on the other side of the house, that we can pass this legislation to revive this dead act, to give the government power whilst parliament is in session to do as they please, then in ten years' time this government, if it were in power, could come to parliament and ask to have the act revived. That, I say, is unconstitutional, and notwithstanding what has been said on the other side, we on this side of the house, standing on constitutional doctrine, will not allow such a resolution as this to go through except by closure.

What have we done? We allowed the government to put through the address in reply to the speech from the throne in a week, and for three weeks the government hesitated; it did nothing with regard to unemployment or farm relief. I do not think that this act is necessary, as I will show in a moment or two. After two years of experience the government, I submit, should have a definite policy with regard to unemployment, and I think you will agree with me, Mr. Speaker, that we can come to no other conclusion than that hon. gentlemen opposite have no definite policy in this matter. They are admitting that they have fallen down on the job. If, however, as I contend, they have no definite policy, and therefore wish to renew the act, then I say they should have come to parliament and introduced the same resolution they brought down a year ago. How did that resolution read? On July 24, 1931 the Prime Minister gave this notice of motion:

> Resolved, that it is expedient to bring in a measure to confer certain powers upon the governor in council in respect to employment and farm relief; and for the maintenance of peace, order and good government in all parts of Canada; and to authorize the governor in council to expend for the said purposes out of the consolidated revenue fund such sums as may from time to time be necessary.

I respectfully submit that if the government had been seized of their proper duty with respect to unemployment, and if they felt that the proper legislation on the question was to revive the act that was passed then, instead of introducing this resolution which we are now discussing for the purpose of resurrecting a dead statute, the Prime Minister or one of his ministers should have introduced the resolution which I have just read. I say again, Mr. Speaker, that this house has no right to discuss this present resolution, and that is proved in the fact that within two days of the placing upon the order paper of the resolution now under discussion there was notice of the introduction of a bill with regard to unemployment—the strangest procedure that has ever taken place in this house. The government, I presume, realized that the 1931 act was nearing its natural conclusion, and, in order to rush matters, in addition to putting upon the order paper this resolution we are now discussing they put on the order paper a bill to amend the same act—a most unusual procedure. You, Mr. Speaker, saw it yourself, because for two days, realizing the position the government had placed itself in, with your usual courtesy you did not proceed to read that bill, which should have been read every day. I say, sir, that there is no excuse for the position the house finds itself in at this moment. The government and no one else is to blame for the present impasse with regard to unemployment. It is quite possible that if the government had introduced a measure similar to the one passed in 1931 it would have been opposed on this side of the house, because there is no reason, when parliament is sitting, when the people's representatives are here to do the business of the country, why the government should introduce a bill asking for a blank cheque under which they can do whatever they deem necessary.

This government stands condemned before the people of the country so far as unemployment is concerned. Almost two years have passed since the Prime Minister and other members of his cabinet criticized the Liberal party for its attitude with regard to unemployment. Shortly after the elections a special session of parliament was called. We came down here in the month of September, 1930, and one of the first things we did was to vote a sum of $20,000,000 for the relief of unemployment. This was done with very little criticism of the government because we realized that it had not then had sufficient time to work out a policy in regard to this great question. We realized that the government had made certain promises and we wanted to give it enough rope to hang itself.

Another thing we did at that special session was to allow the government to raise the tariff. The government had two ideas in its mind, to vote money for unemployment and to raise the tariff to stop unemployment, and we agreed to both measures with very little criticism. I am sure that no hon. member within sound of my voice or no hon. member of the house can say that the opposition did anything at that time to keep the government from carrying out its policy—we gave it a free hand.

I was rather interested the other evening to hear the hon. member for Cape Breton South (Mr. MacDonald), in his usual calm,

deliberate and decent way, try to blame the Liberal party and the opposition because the city of Sydney had not received certain moneys for unemployment relief. The hon. member for Cape Breton South, the Minister of Trade and Commerce (Mr. Stevens), as well as the back bench minister with the portfolio of Agriculture, challenged us on this side by saying that everything had gone well with the expenditure of this money. If there is one thing of which the Liberal party should be proud with regard to the present situation of unemployment, it is the fact that there do not seem to be any Liberals out of work, at least as far as the expenditure of unemployment relief is concerned. I have no hesitation in saying that 95 per cent of the money spent by this government for unemployment has gone into the hands of Tories. That is why Liberals, according to what has transpired, are not out of work while Tories are. What happened to this $20,000,000 which we gave to the government to expend? It seems to me that when the money was to be spent for unemployment, everyone should have been treated alike. I can understand in the ordinary distribution of patronage and the construction of public works that to the victors should belong the spoils; I believe that when a party is in power its representatives and its friends should be treated right, but this money was voted for unemployment, not for Tories or Grits but for everyone.

What did hon. members opposite proceed to do with the $20,000,000 voted for unemployment in the year 1930? Some $700,000 was spent in the province of Nova Scotia in the fall of 1930. During the course of my business, and sometimes for pleasure, I drive over the roads of Nova Scotia as well as in some parts of New Brunswick. I am rather curious at times and during my drives I have noticed men employed on the roads. I would stop to talk to the different foremen, and I admit, in order to get the information I wanted, once in a while I would pretend to be something different from what I was; I even went as far as to say that once in a while I voted Tory. I found out that the men who had spent provincial money during the spring and summer of 1930 on the highways of Nova Scotia were the same men driving the same trucks and the same teams who were spending the unemployment money in the fall of 1930.

We come now to 1931. When the government brought down the estimates at that session the newspapers contained headlines stating how the government had economized by cutting down the expenditures of this country by some $27,000,000. In looking over the estimates I noticed that a considerable reduction had taken place in the votes for the Department of Public Works. Knowing the coast of Nova Scotia as well as I do, I realized that this was a penny wise but pound foolish policy; the government in its attempt to retrench and economize had put the blue pencil through the votes for certain works in the province which were absolutely necessary. We have now the report of the director of unemployment relief and we find that although the government tried to make the country believe that it was economizing in public works' expenditures, in fact it was spending part of the blank cheque voted in 1930 for unemployment for the construction of public works throughout Canada. I think the house will agree with my contention that these expenditures should have appeared in the main and supplementary estimates. Instead of doing that, and in order to cover up, the government took some of the unemployment relief money and spent it on public works. I notice that this department was given $1,593,000 to spend from this fund on the construction of about two hundred works throughout Canada. In Nova Scotia alone some $537,000 was expended, which amount should have appeared in the main and supplementary estimates. This parliament voted this money for a particular purpose, and this is how it was spent.

I noticed the Minister of Labour (Mr. Gordon) in his place a few moments ago when he was interrupting the hon. member for North Waterloo (Mr. Euler), but I am sorry he is not present now as I wanted to refer to one item which appears in this blue book in connection with his own constituency. I understand that charity begins at home, and the Minister of Labour evidently believes in that proverb. An item appears in this blue book covering a vote of $67,000 for a breakwater and harbour for seaplanes at Haileybury, to be carried out under the supervision of the Department of Public Works. During 1931 some $17,809.84 of this amount was spent. I do not object to this money being spent in Haileybury if it is necessary, but I do object to the way in which it was spent. If there are any in this parliament who should see that money is spent according to the constitution and law it is those gentlemen who think that because they are privy councillors they are more superior than the ordinary members of parliament. During the past few days we have heard a good deal about the position of privy councillors and I contend that the Minister of Labour who

asked for and received from the Minister of Public Works (Mr. Stewart) an authorization for $67,000 should be the first one to not vote this money unless he could see it was properly expended.

How was this money expended? Some time ago I asked the Minister of Public Works for a return with regard to expenditures of money under this Unemployment and Farm Relief Act, and he was good enough to send me this return which I hold in my hand. My first question was:

> Amount of money expended under the supervision of the Public Works department and its officials, out of the money voted by parliament for unemployment purposes, and the act passed in 1931 dealing with unemployment relief.

The answer is $1,509,893.88. My next question was:

> Whether tenders called for the expenditure of said moneys when estimates for the work exceeded $5,000.

What does the house think the answer was to that very reasonable and fair question? It was:

> In some cases.

Is that an answer to give to a member of parliament? Is that an answer which the Minister of Public Works should give to me as one of the representatives of the people? It is a direct insult to me as a member of parliament for the Minister of Public Works to say in answer to my question: "In some cases."

Let us proceed a little further. I asked:

> If tenders were not called in all cases, the names of the works and the amounts expended.

I have in my hand a list of two pages of works for which no tenders were called. I need not refer to the act of parliament which states distinctly that wherever an expenditure of more than $5,000 is contemplated, tenders must be called for. It is true, of course, that there is a section in the act providing that under extraordinary circumstances there are certain exceptions. Let me read the first part of that, which is section 36 of chapter 166 of the revised statutes of Canada, respecting public works:

> Whenever any works are to be executed under the direction of any department of the government, the minister having charge of such department shall invite tenders by public advertisement for the execution of such works, except in cases,
>
> (a) of pressing emergency in which delay would be injurious to the public interest.

Surely with regard to the expenditure at Haileybury in the constituency of the Minister of Labour, there was no such pressing emergency that this money had to be expended without tenders first being called for.

[Mr. Duff.]

The Minister of Labour deliberately appoints one of his own friends as foreman to do the work, instead of the Minister of Public Works, in his position of privy councillor of this country, calling for tenders in the regular way and asking different people to submit tenders for the work so that the contract might be given to the lowest tenderer. The Minister of Labour asks the Minister of Public Works to allow work in the Minister of Labour's own constituency to be done without tender and without contract so that one of his own friends and supporters may be made foreman on the work and can appoint the men who he thinks should be employed to do it. Evidently the business must be stinking in the nostrils of even my good friend the Minister of Public Works, because I notice from the estimates of this year that this work at Haileybury is taken out of the unemployment relief fund and the Minister of Public Works has placed in his estimates an item of $45,000 to finish it. This shows conclusively that there is something rotten in the state of Denmark and something wrong in the constituency of the Minister of Labour with regard to the expenditure at Haileybury.

Let me go a little further. I said that under the Public Works Act for work comprising an expenditure of over $5,000, tenders should be called. There is another exception, paragraph (b) which reads:

> (b) In which from the nature of the work it can be more expeditiously and economically executed by the officers and servants of the department.

That does not apply to Haileybury, or to a number of other cases which I shall mention in a few moments. There is a third exception:

> (c) Where the estimated cost of the work is less than $5,000, and it appears to the minister, in view of the nature of the work, that it is not advisable to invite tenders.

That is the law, and I think I am right in saying that since confederation, since the time that law was placed on the statute books, every government and every minister, whether in the Public Works department or any other, has endeavoured to comply with it as far as it is humanly possible so to do. But we find in the act which we passed last year, chapter 58, regarding unemployment and farm relief, a provision respecting the maintenance of peace, order and good government in Canada, and I suppose the Minister of Public Works will tell us that if he had not given that $65,000 or $70,000 job to a supporter of the Minister of Labour, there might have been trouble in Haileybury, and peace, order and good government would have gone to the winds.

There are a number of other similar cases in Nova Scotia, and in the few minutes at my disposal I have not time to discuss the different items. I know, Mr. Speaker, you are a busy man, and you have a great deal to do, but I should like you to go over this appendix F on page 60 of the report of the Dominion Director of Unemployment Relief and note the different works in Nova Scotia and other provinces where the amounts exceeded $5,000 and where in not one case did the government call for tenders. At the outside, it should have taken only a fortnight for tenders to be called and for the lowest tenderer to get the contract, but the government, with the powers given to them under this act, deliberately gave the work to their own friends, and the men employed were, in ninety-nine cases out of a hundred, their own friends. We cannot, in a free parliament, extend the same power to my friends on the other side, and especially to the Minister of Public Works, because I notice in the estimates brought down a month ago there is very little money to be voted for Nova Scotia. It will be found that if we pass this resolution; if we allow this act, chapter 58, to be extended—and it cannot be extended because it is dead; this resolution is entirely out of order because we cannot resurrect the act—if parliament, I say, stultifies itself, passes this resolution and resurrects this act, under its provisions our friends of the cabinet will again do exactly what they did in 1931.

In the election campaign of 1930 they told us that they were going to do away with unemployment in Canada, and I almost believed them. For instance, in my constituency, I and others who came before me endeavoured to have a railway built in the counties of Pictou and Guysborough. My good friend the present member for Pictou (Mr. Cantley), even before he became a member of parliament, was good enough to come to Ottawa several times at his own expense in order to appear before the House of Commons committee and the Senate committee and advocate that this railroad be built. A government of which I am a supporter was in power at the time, and I am sure he will not object if I take a little more credit for getting the bill through than I give him, although I am willing to give him all the credit to which he is entitled, because he did help. In 1929 a bill was passed in this parliament to build what was known as the Sunnybrae-Guysborough railway. Some $3,500,000 was voted for the purpose, and a contract was given for the building of the road. In the fall of that year construction commenced. The McLean Construction Company, who were the lowest tenderers and secured the contract, put their equipment on the ground, and all that fall, the next winter and the following summer they were at work building the road. In spite of the fact that practically all the right of way was completed, that the rails were all bought, that the bridges were all bought and completed, that the ties had been purchased and were practically on the ground, within one month of this government coming into power in 1930 it deliberately cancelled the contract with the McLean Construction Company and stopped the work on the Guysborough railway, although there was considerable unemployment in Nova Scotia at that time. In the committee on railways and shipping I asked the officials of the Canadian National Railways a question, and I found out from them that, as I said a moment ago, all the necessary supplies, the rails, the bridges and ties, had been purchased, and that all it was necessary to do to complete the railway was to lay the ties and ballast the roads. In other words, outside of the building of the station houses, the $700,000 which they estimated would complete the road would be practically all spent in labour, and yet my hon. friend the Minister of Railways and Canals, Sir Henry Thornton and this government threw some two thousand men out of employment whom only one month before they had asked the people to vote for them to stop unemployment in this country. The work on the road was stopped and the men were thrown out on the streets.

Mr. MANION: I know that my hon. friend does not wish to give any wrong information. The government had nothing whatever to do with cancelling any contract with the railway because the contract was with the Canadian National Railways. The government does not make the contract, and it did not break the contract.

Mr. DUFF: I am very sorry indeed that my good friend the Minister of Railways made that statement, because if what he said is true we do not need a Minister of Railways in this house.

Mr. SPEAKER: The hon. member's time has expired.

Mr. EUSEBE ROBERGE (Mégantic) (Translation): Mr. Speaker, I am opposed to the present resolution, its purpose being to hand over a blank cheque to the right hon. Prime Minister (Mr. Bennett). I have followed closely the debate on this motion

and I am somewhat amazed at seeing Ministers of the Crown and members opposite contend that if the funds to relieve unemployment and agriculture are not yet voted, the Liberals are to blame. The people of Canada are better informed than these hon. gentlemen imagine. The former are fully aware that the Bennett government is not, since Confederation, the only one that has been at the helm of affairs in Ottawa, and at all times, regardless whether these governments were conservative, liberal or unionist, when the Prime Minister required an appropriation, he had it inscribed in the yearly estimates or voted by special legislation; on each occasion, however, the amount was specified. Let the government ask for a stated sum in the supplementary estimates, and it can rest assured that, we liberals, will immediately grant their request, because we have always been prone to assist the workman and farmer. But to hand over a blank signature to the Prime Minister, never shall I consent.

Both on behalf of the people of Megantic, whom I represent in the house, and myself, I strongly protest against the authority which the government wishes to assume in order to amend our constitution without appealing to the people.

The lack of competency, sir, which the government has displayed within the last twenty months in the administration of the affairs of this country, and which has resulted in a complete failure, gives us greater cause to protest. When this government stood before the electorate of Canada, seeking a mandate to govern the country, there was no mention of altering the constitution. This government, however, were elected through pledges which they knew beforehand they would not keep or never intended to fulfil.

The hon. Minister of Railways and Canals (Mr. Manion) endeavoured to prove the other day, in his speech, that the Prime Minister had fulfilled his pledges made during the last election. If the hon. Minister obtained for his county some favours to relieve the condition of the farmer and unemployed, since 1930, he has been shown partiality.

May I, sir, commit to Hansard a few of these pledges made by the Prime Minister and repeated in my county by the Conservative candidate and his followers. Mr. Bennett stated at Winnipeg, on June 8, 1930:

> Listen you agriculturists from the west and all other parts of Canada, you have been taught to mock at tariffs and applaud free trade. Tell me, when did free trade fight for you? You say tariffs are only for manufacturers. I will make them fight for you as well. I will use them to blast a way into the markets that have been closed to you.

[Mr. Roberge.]

Then at Vancouver, June 17, 1930, he stated:

> If Mr. King thinks that I will not so build up our agricultural and industrial life that its strength will drive our products into the markets of the world, then he is wrong. For that I will do. If he thinks I will not establish new markets for those products, strive with all my heart to retain them, drive our products with all my power into new markets, into old markets, into reluctant markets, he is wrong. For that I will do.

What benefit did the farming class receive from all these pledges? Since this government has been in power, the price of farm products has decreased from 40 to 50 per cent, and the farmers are experiencing a crisis unknown under the Liberal regime.

Some hon. MEMBERS: Hear, hear!

Mr. ROBERGE (Translation): As this question was discussed at length by my hon. friend, the member for Nicolet (Mr. Dubois), I shall not deal with it. I shall refer to the pledges made to the workmen and commit to Hansard a few of them. I shall afterward quote some figures to prove that far from decreasing the number of unemployed in my county, the government were responsible for its increase and that they even refused to help these unemployed when the money was available. As my county comprises industrial and mining centres, I shall begin by referring to some of the promises made, during the last election, in connection with the assistance to workmen and by which he was to end unemployment.

The following is a statement made by the Prime Minister at Calgary, on June 12, 1930:

> This is a new country and there is no excuse for unemployment in Canada if a government does its duty.

According to this statement this government is far from having done its duty. On June 17, 1930, he is quoted as saying:

> Governments can regulate policies of the country so that facilities may be provided to give employment and not make it necessary for thousands to leave home and go elsewhere to get jobs to make a living.

At Sarnia, on July 16, 1930:

> Someone, he said, is responsible for unemployment; not individuals but governments. Governments by their majorities in parliament are responsible for enacting all legislation.

The same day, he stated at Moncton:

> Mr. King promises consideration of the problem of unemployment. I promise to end unemployment. Which plan do you like best?

I now wish, sir, to explain how he settled the unemployment question in the county of

Megantic. At Plessisville, a town of 3,000 inhabitants, on January 15, 1932, there were 230 more unemployed than on July 30, 1930.

At Black Lake, a mining centre with a population of 4,000, there were 500 to 600 people employed in July, 1930. The Conservatives had promised that if they were elected every body would have work. What happened at Black Lake? Four months after the Conservative party had assumed power, all the mines were closed, and nobody has worked in those mines since. If the government had had at heart the relief of unemployment, it would have improved the situation at Black Lake, however the contrary happened.

Under the Liberal régime I had obtained that an amount of $26,000 be included in the 1930 estimates, so as to build a post office. When the Conservatives assumed power, the plans and specifications of this building had been approved by the engineer, it was to be erected at Black Lake. Tenders had been asked and received; an order in council had been passed by this government on August 5, 1930, authorizing the construction of this post office. It was, sir, an excellent opportunity to help the unemployed. What happened? Rather than put up this post office because the money had been voted under the Liberal regime, at the request of the representative of the county, the government preferred not to carry out the construction of this post office and in that way deprived the people of work. That is the kind of help the workmen of Black Lake obtained from this government, notwithstanding all the pledges given during the 1930 election.

At Thetford mines, another mining centre with a population of 12,000, there are, to-day, 500 to 600 more people unemployed than in July, 1930. So that in Megantic county alone, this government, far from having ended unemployment as promised, has increased it by 1,200 to 1,400 men more than it was under the Liberal administration. That is how the government has settled the unemployment question.

As regards the farming class, as I stated at the outset, the price of their products has decreased 40 to 50 per cent. One thing, however, has increased in Megantic, namely taxation. The people may be deceived once but not twice. I think this is an excellent opportunity to repeat the words which the right hon. Prime Minister stated at North Vancouver, on June 18, 1930:

> After I am Prime Minister on July 28, I will see that my promises are carried out or the government will go out of power trying to do so.

Well, sir, I can assure you that the people throughout the country are waiting for that opportunity to put him out of power.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, if I understand correctly the effect of the motion made by the Minister of Agriculture (Mr. Weir) on behalf of the government this afternoon, it is to reopen a debate which had virtually drawn to a close at the time the minister spoke. The motion of the minister was that the question be now put. According to the rules of the house, the motion itself is among the number of those which are debatable, and, therefore, I conclude that all hon. members who have already spoken on the resolution before the house may speak again.

In order that there may be no mistake, I should like to draw the attention of hon. members to standing order No. 38 under the heading "Debatable Motions":

> 38 (1) The following motions are debatable:
> Every motion,—
> (a) standing on the order of proceedings for the day (except government notices of motion for the house to go into committee at a later date);
> (b) for the concurrence in a report of a standing special committee;
> (c) for the previous question;

It is on the motion for the previous question that I am now speaking. As I have just said, the effect of the motion of the Minister of Agriculture has been to enable every hon. member on this side of the house, or on the opposite side, who so desires, to speak again for a period of forty minutes or his allotted time on this particular subject. I have found difficulty in understanding the reason the administration must have had for bringing forward this particular motion, and especially at this stage of the debate. As I looked through the evening papers I thought I discovered it. I may be wrong, but sometimes one gets a clue in that way. The evening papers seem to regard the motion as an application by the government of the closure rule. Evidently they are conveying to the country, no doubt from an inspired source, the information that in order to bring this debate to a close the administration has introduced closure. If I am correct in my interpretation of the rules, the effect of the motion, which the government must have brought in with full knowledge of its significance, is exactly the reverse. It has the effect of reopening the debate, and reopening it extensively.

Standing order No. 39 deals with closure. In order that there may be no mistake, and that the suggestion may not be made that

the motion introduced by the government is one of closure, I shall read the first portion of this standing order. It is as follows:

Immediately before the order of the day for resuming an adjourned debate is called, or if the house be in committee of the whole, or of supply, or of ways and means, any minister of the crown who, standing in his place, shall have given notice at a previous sitting of his intention so to do, may move that the debate shall not be further adjourned, or that the further consideration of any resolution or resolutions, clause or clauses, section or sections, preamble or preambles, title or titles, shall be the first business of the committee, and shall not further be postponed; and in either case such question shall be decided without debate or amendment; and if the same shall be resolved in the affirmative, no member shall thereafter speak more than once, or longer than twenty minutes in any such adjourned debate.

I need not read the rest of it; I believe that is sufficient. The point I wish to make clear, Mr. Speaker, to members of this house, and through the house to the country, is that the government has not introduced any motion of closure. What has been done by the motion introduced this afternoon by the Minister of Agriculture is to extend to all members of this house the privilege of speaking a second time, at a time when the debate, in regard to the first stage at least, had practically drawn to a close. As I say, what may have been the motive of the government, I leave to my hon. friends themselves to explain; and, as for the country, it may judge for itself.

This evening, I wish to deal briefly with one or two of the remarks of the Minister of Agriculture this afternoon made at the time of introducing his motion. In the first place, the minister said—I think I understood him correctly—that the reason the government had been late in bringing down this measure, which is now on the order paper and which we have been discussing for a couple of weeks, was that the former Minister of Labour, Senator Robertson, had been ill, and that, as a consequence of Senator Robertson's illness, the government had not found it possible to bring in the report of the Department of Labour with regard to the Unemployment and Farm Relief Act as early as had been hoped. It is rather extraordinary, to say the least, that we have had to wait until to-day to hear a single word of the kind expressed in the house. We have not been told before that the reason there was any delay was due to Senator Robertson's illness. This is the first intimation we have had of anything of the kind. But may I ask, Mr. Speaker, in all seriousness, whether anyone for a moment assumes that such is the reason why the government has delayed until this time to bring in a measure which has to do with unemployment relief—the most important of all the matters which will have to be taken up this session?

The speech from the throne, which outlined the important business of parliament, did not contain a single word with reference to unemployment and farm relief. Surely that was not because of Senator Robertson's illness. The right hon. Prime Minister made an address of considerable length in the course of that debate. He made no reference to any policy of the government with respect to unemployment or farm relief; he made no statement with regard to any intention to bring in, at any time this session, any measure in regard to unemployment relief. Surely that was not due to Senator Robertson's illness. A little later the Minister of Labour himself (Mr. Gordon), the successor to Senator Robertson, made a speech, but it contained no reference to any policy which the government had with respect to unemployment relief. He did not say they did not have a policy because Senator Robertson had been ill; he simply made no reference to any policy.

Speakers on this side directed the attention of the house to the fact that it was a rather extraordinary thing that we had heard no statement of policy from hon. gentlemen opposite with regard to unemployment relief or with regard to the intentions of the government in that connection. I drew the attention of the Prime Minister to the fact that, unemployment relief being the most important matter which this house would be called upon to consider, it was extraordinary that he had found it necessary to appoint a special committee of parliament to consider a personal matter in which he was interested, before we had any committee to discuss the question of unemployment relief or before we were told what measure of relief would be given the farmers of Saskatchewan and the other people who were suffering in the west. From this side of the house it was made clear that we were filled with amazement that the government had brought down no legislation and had indicated no policy with regard to unemployment relief in reference to Saskatchewan or any other part of Canada.

Then what happened? The hon. member for Kenora-Rainy River (Mr. Heenan), the former Minister of Labour, brought in an amendment on going into supply, complaining that the government had not carried out its promises with respect to unemployment relief. That amendment concluded with the statement that the government had announced no policy which was at all adequate to deal

with this particular and all-important subject. Parliament opened on Thursday, February 4, and on Tuesday, February 23, the former Minister of Labour (Mr. Heenan) introduced his amendment on the motion to go into supply. Was it due to Senator Robertson's illness that we had no mention of any policy, and no statement of the intentions of the government, from February 4 to February 23? Was that the reason? If it was not, why does the Minister of Agriculture with reference to the present resolution put forward a reason of that kind in the house at this stage of the debate? But what happened when the ex-Minister of Labour drew the attention of the house and the country to the fact that there was no statement of policy from the government, and that there was nothing anywhere on the order paper or anywhere else dealing with the subject of unemployment relief? After all this had been drawn to the attention of the government in the amendment proposed by the former Minister of Labour, on the day following, Wednesday, February 24, for the first time, there appeared in the votes and proceedings of parliament, under the name of the Prime Minister, the following notice:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

In other words, until the government was confronted with a motion of want of confidence from this side of the house on the score that they had no policy whatever to deal with the question of unemployment, we had not so much as a sign of a resolution of any character dealing with the subject. Then we had hurriedly placed upon the order paper by the ministry a motion to extend until May 1 the present measure, or the measure that was to expire on March 1. That was all.

But how did the government proceed thereafter? Did the government the next day anxiously come to the house and say "It is getting near the end of the month and we must take up at once this resolution which appears on the order paper"? Remember, Mr. Speaker, the government has, subject to the rules of the house, the arranging of the business of the house from day to day, and the government designates the night before what particular business is to be taken up the following day. Now I want to direct your attention to the proceedings of the next few days, because I was watching, in the interests of Saskatchewan and other parts of the country, what the government were going to do in this matter of unemployment relief.

Some hon. MEMBERS: Oh, oh.

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: I think I shall be able to show by the records of the house, from which I am about to quote, just how carefully I was watching. On Friday, February 26, the notice appeared on the orders of the day for the first time; under government notices of motion the following resolution appeared:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

On the same day the Prime Minister gave notice of his intention to proceed with the resolution at the next sitting. On Monday, February 29, nothing was done; that was private members' day, but I ask you now, Mr. Speaker, and those who were jeering a moment ago—including the Prime Minister himself—to look at the records of the debates in the house, as they appear in Hansard, and see what was done. I find the following at the close of the evening of Monday, February 29:

Mr. Mackenzie King: Will the Prime Minister kindly indicate the order in which government orders will be taken up to-morrow?

Mr. Bennett: Second readings first, and then supply, Departments of Agriculture and National Defence.

No word appears there with respect to this resolution concerning unemployment relief; no mention was made that the next day would be the first of March, and that chapter 58 would then expire. The Prime Minister said:

Second readings first, and then supply, Departments of Agriculture and National Defence.

Then I said:

Mr. Mackenzie King: That means the motion of the hon. member for Kenora-Rainy River (Mr. Heenan)?

Mr. Bennett: The motion to which an amendment was moved by the hon. member for Kenora-Rainy River.

Mr. Mackenzie King: Is it intended to take up item 10, with respect to amending chapter 58 of the statutes of Canada, 1931?

That is, this resolution.

Mr. Bennett: I intended to take that up if we reached it, but the Senate does not meet until Wednesday. There is no point in taking it up before Tuesday.

Mr. Mackenzie King: That would be after supply, anyway?

Mr. Bennett: Yes.

Mr. Mackenzie King: Thank you.

I think I made it clear that evening that I was watching closely to see when the government would proceed with this measure.

The time was getting very short. If the government had intended to deal in time with unemployment under the resolution which was on the order paper, if they were genuine and bona fide in their intention, they would have proceeded immediately the opportunity was provided. What about the next day? Tuesday, March 1, was a government day, and there was no rule of the house against the measure being gone on with on that day. Moreover, the Prime Minister knew that the act would expire on March 1. If he wanted to avail himself of a technicality in order to save the situation, he could at least have made a statement the night before of his intention to deal with the matter the next day, in view of the fact that the act was expiring on the 1st of March.

But on March 1, what happened? At the very outset, the hon. member for Lisgar (Mr. Brown) moved the adjournment of the house to discuss seed and farm relief as matters of urgent public importance. You, Mr. Speaker, remember what happened to my hon. friend's motion. He was denied that right. He was told that he could not discuss that matter—that it was not a matter of urgent public importance at that time. Yet the act was expiring that very day, and no relief could be given thereafter until another bill went through. The hon. member rose to express that point of view but he was told by the Speaker, in the best of good faith and in accordance with what His Honour believed to be correct procedure in the house, that he could not go on. Then the debate was continued on the amendment of the hon. member for Kenora-Rainy River, and in the course of that debate, I, myself, spoke, pointing out that on that day chapter 58 would expire. I directed the attention of parliament very pointedy to that fact.

Now, if there was great anxiety on the part of the government to deal with the question of unemployment relief under chapter 58, surely on the next day they would have made some effort to take it up without further delay. Private members' day, I hear someone say—the Prime Minister, I think. Well, at the time of adjournment on Wednesday, I called the attention of the government to the fact that the alternative for Thursday, March 3, lay between order No. 10 on the order paper, which was chapter 58, and the motion with respect to civil service salary deductions, which stood as order No. 9. I drew this to the attention of the minister who was leading the government at the time, the Minister of Trade and Commerce (Mr. Stevens). As Hansard will show, the hon. gentleman was speaking for the government:

Mr. Stevens: We can proceed with No. 9.

Order No. 9, for Thursday, another government day, was the question of civil service salary deductions—not this resolution which is now pressed as all-important; not at all, but civil service salary deductions. This was extraordinary if the ministry had been intent on proceeding with chapter 58 having regard to the situation in Saskatchewan. On Thursday the question of civil service salary deductions was taken up and there was no discussion of, nor was there any mention of chapter 58. At the time of adjournment I inquired what the business for the next day would be:

Adjournment—Business of the House

Mr. Mackenzie King: What business will be taken up to-morrow?

What was the Prime Minister's reply?

Mr. Bennett: We will proceed with this debate,—

That is to say, the debate on civil service salaries.

—after which we will consider item No. 9 on the order paper.

Now, item No. 9 on the order paper of March 3 was the Heenan amendment on going into supply and not chapter 58. Did that look as though the Prime Minister was much concerned about when chapter 58 would be taken up, though we were getting further away from the date of expiry of the act? The act had expired several days before. What happened on Friday? Nothing was done with regard to chapter 58 on that day; instead, the day was taken up with the discussion of civil service salary deductions. At the adjournment I again inquired with respect to the next day's business:

Adjournment—Business of the House

Mr. Guthrie moved the adjournment of the house.

Mr. Mackenzie King: I suppose on Monday we shall have private members' resolutions?

Mr. Guthrie: I think they will take the whole day.

Mr. Mackenzie King: In the event of the private members' resolutions not taking the entire day, will my hon. friend indicate the measures that will be dealt with?

Mr. Guthrie: In that event we will take up second reading of the bill to amend the Judges' Act, third reading of the bill to amend the Criminal Code, the bill in respect to railways—I think it is ready, and then we will go into supply.

That was for the following Tuesday. Again, nothing was said in regard to chapter 58.

Mr. GUTHRIE: That was for Monday.

Mr. MACKENZIE KING: Monday, yes—I beg your pardon. That was for Monday, if we got through with private members' resolutions. That is right. But in regard to Tuesday, what happened? On Monday inquiry was again made with respect to the matter. On the order for motions on Monday afternoon, March 7, I directed the attention of the Prime Minister to the urgency of the question of unemployment and farm relief. An entire week had gone by; I had given the government, at the close of each day, an opportunity in so many ways to disclose when chapter 58, which was the measure we were concerned about, would be proceeded with. A whole week having gone by without anything having been done, in order that the government might not take a course of procedure which would be certain to precipitate a lengthy debate, and so that they might know fully in advance that we were prepared to vote any supply they wanted for relief, but that we should necessarily have to oppose, on principle, any effort that might be made to put through a bill similar to the one passed at the previous session, requiring us to give a blank cheque to the government, or requiring us to delegate to the governor in council power to legislate on peace, order and good government while parliament was in session, I drew attention to the fact that the Unemployment and Farm Relief Act had lapsed, and offered on behalf of the opposition to facilitate the passing of an interim supply bill at that time if the government would bring in a measure. Then for the first time the Prime Minister indicated that it was the intention of the government the next day to take up the resolution with respect to chapter 58.

In the meantime the government had had on the order paper notice of a bill to amend chapter 58. That notice remained on the order paper at least two or three days. You will know, Mr. Speaker, better than anyone else, the reason you did not call that bill on two occasions; I think you were asked by the administration not to call it. At any rate, it stood on the order paper for some days. We on this side were asking ourselves, "What is the bill to amend chapter 58?" In all innocence, we came to the conclusion that the government, realizing that parliament would never wish to pass a bill that would give to the government power to legislate on peace, order and good government while parliament was in session, intended to wipe out that obnoxious clause and thereby seek to strengthen its position with regard to the supplying of relief under chapter 58, which gave the governor in council a free hand to deal with the question. But to our amazement notice of this bill was subsequently dropped. What its provisions were, I do not know. Why it was not called on two or three occasions when it appeared on the order paper, though other bills were called, the Speaker and the Prime Minister I presume alone can declare. But there are the facts; the records speak for themselves.

What was the position on Monday? In order that there might be no mistake about our position and point of view as well as intention, I made the following statement, as appears at page 921 of Hansard of Monday, March 7—and this is March 22—speaking before any debate at all had commenced in relation to the question of unemployment relief:

> Mr. Speaker, as we do not reach the orders of the day until late in the day, if at all to-day, there is a matter which I would like to mention to the Prime Minister on the order for motions which is of importance at the moment, and which may not have occurred to him.
>
> There appears to be an obvious necessity for the voting of money for unemployment relief, and particularly for supplying seed grain and other forms of farm relief to those who are in need in the west. What I wish to say to my right hon. friend is that if he will bring into the house a supply bill asking for the amount that he may regard as necessary and wish to have for this month, so far as the opposition is concerned we will be prepared to do what we can to facilitate its passage rapidly through the house. We recognize that it is a week since the Unemployment and Farm Relief Act lapsed and that my right hon. friend will certainly be coming to parliament for some moneys, for this purpose. If a supply bill is brought in at any time to provide what may be necessary for the balance of this present fiscal year, so far as the opposition is concerned we shall be prepared to agree to any suspension of the rules which will allow the bill to go through this house with as little in the way of criticism or delay as possible.

What was the Prime Minister's reply?

> Right Hon. R. B. Bennett (Prime Minister): I assure the right hon. gentleman that I appreciate his observations, but the government has not overlooked the fact that it is necessary to provide money for seed and feed. But it is not its direct responsibility; that rests with the provinces.

That was the statement made that day. The Prime Minister said further:

> I thank the right hon. gentleman for his offer of assistance so far as the dealing with this emergent situation is concerned.

I then said:

> I would like to make clear to my right hon. friend that one reason I mention the matter immediately is that if it is proceeded with by means of a supply bill I believe there will be no question as to the rapidity with which the bill would pass, but if my right hon. friend

has in mind proceeding with a bill such as the one passed at last session, which was intended to meet a situation while parliament was not in session, I may say that we on this side would have to take very strong exception to proceeding in that way.

As I said, that was before any discussion had taken place on this resolution, and it was at a time when the government knew that the previous act had expired. They knew what our position was with respect to seeking to amend a statute which was dead. They knew of our willingness to give them whatever they needed in the way of supply for relief purposes. Notwithstanding that, the Prime Minister, for reasons best known to himself, proceeded to deal with this particular resolution.

That we are here, Mr. Speaker, with the Easter recess about to begin, still discussing this question, is not the fault of the opposition. It is the fault of the government in having had no policy to announce in the speech from the throne, in having had no policy announced as to the intentions towards Saskatchewan or any part of the country when the Prime Minister spoke on the address, and in having had no statement made by the Minister of Labour on the subject of unemployment relief. For more than an entire week, after notice had been given of the intention to proceed with the resolution, parliament devoted itself to other questions, notwithstanding the fact that, night after night, during the interval, the ministry was asked what business would be taken up the following day. After it had announced its intention the ministry had the freest opportunity to proceed with this measure for more than a week before the time it was proceeded with.

Under these circumstances, I do not think there can be any question as to who is responsible for the delay that has occurred up to the present time. Before I conclude my remarks this evening, I intend to indicate pretty clearly who will be responsible for any further delay. I do not think there will be much doubt as to where the opposition stands when I restate our position; indeed, there never has been. We shall soon discover what motive is underlying the tactics of the administration in this matter.

This afternoon the Minister of Agriculture gave what he termed the reason for the action of the opposition. What did he say? I confess that, if I had not heard his speech last year, I would have been amazed. However, after listening to that speech, I shall never be surprised at anything from him. In his maiden speech, the minister told the house that he was such an innocent in the matter of politics that he did not really know the difference between a Liberal and a Conservative, that he was not interested one way or another in party politics, and he then went on to make one of the most partisan, bitterest and nastiest speeches that has ever been made by any public man in this country. What did the minister say this afternoon? He said the reason why this opposition was taking place at the present time was that the leader of the opposition was filled with revenge against Saskatchewan for having returned to this parliament himself and a few other Tories. We are discussing an unemployment relief measure which, as the Prime Minister would say, deals with the lives of men and women, with hungry and starving people, and the Minister of Agriculture talks about playing politics! I wonder what significance is to be attached to the statement that the leader of the opposition is filled with revenge against Saskatchewan? If that is not playing politics, the most diabolical politics which can be conceived of, I should like to know what is. What revenge would I have against Saskatchewan? Was not Saskatchewan the province which gave such splendid support to the Liberal party as to ensure its continuance in office from 1925 to 1930? Am I unmindful of the fact that I stand to-night in this house honoured with the representation of a constituency in the province of Saskatchewan, and that, taking by-elections into account, Prince Albert in Saskatchewan has on four different occasions returned me to this parliament? I speak as a representative of the province of Saskatchewan, and I intend to speak more particularly from that point of view during the concluding part of my remarks.

I challenge the Minister of Agriculture to point in the course of my entire public career to one single act of mine which has been inspired by the spirit of revenge. Only those who are themselves capable of that kind of thing would think of imputing that sort of action to others. As for the remarks of the minister, I am prepared to treat them as being beneath contempt. When the people of Saskatchewan read what the minister said in this house this afternoon in regard to this measure, when they learn what he has had to offer as a reason for not giving them relief and giving them the seed and feed that they need, their appreciation of the minister, if it ever amounted to anything, will cease to be of much account.

Why has the opposition taken the course it has with regard to the resolution before us? We took this course for one reason, and one

reason only. It was a very simple reason but a very powerful one—it was the right course to take, that is all. It was not from any political motive, it was not from any desire—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: Hon. gentlemen opposite cannot understand that. They are so accustomed to every move being actuated by some political partisan motive that they are unable to appreciate a contrary course though it be the obvious truth. What are the rules of this house governing supply? One has only to look at the rules to discover how the administration is supposed to go about getting supply for any purpose. Did we say: "If you bring in supply for unemployment relief we will oppose it"? Did we say: "If you make your measure broad we will oppose it; if you make your measure narrow we will oppose it; if you make it this way or that way we will oppose it"? Had we done that, there would have been some ground for saying that we had offered opposition. But we did the very reverse; we left it to hon. gentlemen opposite to make whatever motion they liked, so long as it was in accordance with the rules and procedure of this parliament, the rules and procedure which govern not only the parliament of Canada, but the parliament of every self-governing country under the British flag. We have endeavoured, as representatives of the people, to secure to them their rights and liberties, and preserve so far as we are able to, the control of taxation, a very important matter in times like this. We said: It is our duty, if we have any duty at all, to see that the government acts in accordance with the rules and procedure which are the known practices, traditions and customs of the House of Commons and of parliament. That is all we sought, that is all we ever asked. But we have at this time emphasized the reason for so doing.

We have pointed out that whatever the government may have done under pressure—pressure upon themselves, pressure which they have exerted upon us, pressure for any reason that you like, leaving aside altogether the motive—whatever they may have done for those reasons and whatever, under pressure, may have gone through the house in the form of a statute giving them power, while parliament was not in session, to deal, without reference to parliament, with matters which should be the subject of legislation by parliament only, we could not undertake to give them those powers while parliament itself was in session. That has been the point, and that is the whole point to-day. Whatever, for any reason, may have been necessary to deal with an emergency when parliament was not in session, whatever may have been necessary to deal with an unknown condition when parliament might not be in session, cannot possibly apply when the king's representative in this country is surrounded, not only by his ministers but by the members of parliament whom he has summoned from all parts of Canada to deal with great questions of this kind. That is the position.

How can it be contended that it is not making a mockery of parliament for His Majesty's representative to cause to assemble members from all parts of the country to deal with a great question, only to have them told that they are to be deprived of their rights of dealing with such matters; that they must delegate those rights to the ministry of the day, in order to permit the ministry to enact by order in council whatever they wish? The Prime Minister says: in consideration of all this, we, the ministry, will reward you, the representatives of the people, by presenting you on the day following with copies of the orders in council which we have passed. I ask: Could a greater indignity to a parliament be conceived of than an action of the kind?

It is for reasons like this and for that alone, we have taken the position we have. We shall continue, and we must continue to take it, unless we are going to abandon for all time in this country, the authority, the supremacy, the rights of parliament and all that is associated therewith. Why have a parliament at all, if the executive alone is to deal in secret council with all such questions, pass laws, fix fines, establish penalties, award contracts running into a million dollars at a time, without any reference to the people's representatives who are assembled in this house? Does the government think, that, because there are men and women anxious for food, clothing and work, they are going to be so blind politically they will not recognize that there is a responsibility upon parliament to proceed in the right way to do the right thing? Nobody is asking the ministry to do the wrong thing. We all agree that relief should be given. We all agree that, whatever amount the ministry says they need, we will give them, if only they ask for it in the right way.

What is left then? One of two motives alone can account for the attitude of the ministry. One is that the ministry must intend to do something which will not bear the light of day. There must be something they are determined to do which would not be

done by the members of parliament here assembled. I cannot conceive that such is their motive. What then is the only other motive? The only other motive can be that the Prime Minister of the day has said: I am going to take a certain course, and I shall not change from it whether it be right or wrong; I am going to be a dictator; I am going to do as I please with parliament, and this might as well be conceded first as last. That is the only reason parliament is being forced to proceed in this way. I say, Mr. Speaker, that the people of Canada are not prepared, as has been said time and again here, to trust any government with powers of dictatorship as long as we have a constitutional parliament assembled in this country. Least of all will they be prepared to trust my right hon. friend with any such powers. He has been in office now long enough, not only for the House of Commons, but for the country to know what his tendencies, his methods, his principles are in the matter of government. And I say, if for no other reason than, as shown here the other evening in the most conclusive language, because of the stand which he himself has taken in dealing with the House of Commons in many matters, this house will never surrender to him rights which have been won for the people through their representatives.

May I point out something else? I said that we were taking the course we were because it was the right course. As is well known, if you start on a right course and follow it, you never have to change. It is equally true, if you start on a wrong course and keep following it, you do not know where it is going to lead. It is certainly not going to lead to anything better; it is bound to lead steadily to something worse. At the outset, in regard to this measure, we pointed out to the ministry that, by taking a wrong course they would get into deeper and deeper water all the time. We wish to avoid that.

I should like to point out why the ministry, even now, should correct its course as speedily as possible. Assuming the motion brought forward this afternoon had not been moved, and this debate had terminated this evening, as would probably have been the case, with a decision that we would go into committee on the resolution. What would then have been the next step? We would have gone into committee on the resolution. What is the first question that would have come up? Assume that is the stage we had now reached. The chairman of committees would read the resolution, and, as leader of the opposition, I would be obliged to ask whether it was within the competence of parliament to entertain a resolution of the kind. To what does the resolution relate? It relates to a dead act. It reads:

> That it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

Chapter 58 of the statutes of 1931 expired on March 1. This is March 22, so that the statute has been a dead letter for three weeks. It is a dead statute. Is parliament to be subjected to the further indignity of having to consider something that is dead, to amend something that has no life, something that no longer exists? The Prime Minister the other day, when we were discussing the salaries of civil servants, gave parliament the assurance that this cut in the salaries would end on March 31 of next year; that the act would expire at that time. What did he say about the expiry, so that all would be doubly sure, the civil servants after March 31, 1933, need have no fear about that act ever troubling them again? I have under my hand my right hon. friend's words as they appear on page 564 of Hansard of February 26. He said:

> As the resolution itself indicates, the bill will expire on the 31st day of March, 1933. It has no vigour or life beyond that date.

He says that act will expire on March 31, 1933. The act it is proposed to amend says in its context that it will expire on March 1 of this year. If the Prime Minister's words are to apply in one case as in the other—and I do not think anyone can dispute that they are equally applicable—then this statute which expired on March 1 has had no vigour or life beyond that date. Are we, the people's representatives here assembled, to be asked to consider this dead thing, and to spend our time, in the name of affording unemployment relief, in seeing what we can do about amending something that doesn't exist?

Assume that it is ruled, dead or not, we must consider it. What is the next step? The Prime Minister comes forward with a motion to amend this wretched resolution that relates to this dead object. What happens then? Immediately the committee is confronted with the rules on which the chairman of committees will have to base a decision. He is faced with this: It is an imperative rule that every amendment must be relevant to the question on which it is proposed. This amendment is relevant to what? to a dead thing. Is the chairman of committees to place on record, for the guidance of subsequent parliaments, a decision that, simply because

one ministry has started on a wrong course, hereafter any government may amend a statute that has ceased to exist, and that it shall be the serious business of parliament to consider matters of the kind? I say that it is that kind of thing which we wanted to spare the ministry, which we wanted to spare the Commons, which we wanted to spare the country. I say that, if this resolution passes, that will have to be the first question which will have to be raised, and I submit in all seriousness again, Mr. Speaker, that, in the interests of this parliament, and of the parliamentary institutions and rules and practices of this house which we value so highly, great care should be taken not to run the risk of having decisions given for any immediate purpose which may be of embarrassment to all parliaments of Canada for all time to come.

But more than that. Suppose the chairman of the committee rules that it is in order to amend this dead statute, and the amendment would be that we revive this dead thing, that parliament resurrect statute 58 and give it life. Parliament can do that, not by amending a statute that does not exist, but by introducing a new bill. The ministry can bring in a bill to-morrow saying, "By this measure the provisions of what was chapter 58 1931 are hereby re-enacted." That in all probability would be the equivalent of the terms of the new statute. That is a perfectly proper way to proceed. If they were determined to deal with the matter by chapter 58, that is the way the ministry should have proceeded, instead of proceeding by way of a resolution that seeks to amend something that has long ceased to exist and has gone into oblivion.

But supposing it has been ruled that the amendment is in order, and assume that after discussing it the amendment carries and the amended resolution carries. What question is raised then? Immediately you are face to face with other rules of this house, rules, again, which have been enacted by the wisdom of preceding parliaments to safeguard the public treasury, because all parliaments in past generations have felt that the most sacred of all their duties was the safeguarding of the public treasury. It is for that reason that the measures by which a ministry draws money from the public treasury are surrounded with more in the way of caution and safeguards than any other class of measures that can be conceived of and which may be brought into a deliberative assembly.

What are the rules of the house in regard to measures which purport to draw money from the treasury? They must, first of all, receive the approval of His Excellency the Governor General. We sometimes smile when we hear hon. gentlemen opposite repeat in parrotlike fashion that His Excellency the Governor General has been apprised of the subject matter of the resolution and commends it to the favourable consideration of the house. A great many think that is a mere form of words, but I hope I may assume that my right hon. friend has taken the same course as I did when Prime Minister, which was to obtain from His Excellency the Governor General a standing permission to make that announcement to the house in his name upon one consideration, that I, as Prime Minister, would take care to see that, if there was the slightest doubt about any resolution not being entirely in accordance with the general rules and practices of the house, such a resolution would be presented to him in advance so that His Excellency might have the opportunity to pass upon it. That is the only course a constitutional Prime Minister can take. The Crown, Mr. Speaker, still has some responsibility. It might not seem so in view of some of the things that have already happened in this session of parliament. It might seem that the Crown does not count, for anything, except to be swept to one side, but the Crown does count for something even in the affairs of this parliament of Canada; and the rule applies here.

Now may I draw your attention to this, Mr. Speaker? The first question that must be asked of the ministry when they have chapter 58 in resurrected form before the committee for consideration is this: Has the consent of His Excellency the Governor General been obtained? We all know that His Excellency's consent has not yet been obtained. I put that question now to the ministry: Have you obtained the consent of His Excellency the Governor General to whatever bill is going to be brought in here later, following this resolution? You know you have not. It is not sufficient to say that His Excellency the Governor General gave his consent to the resolution now on the order paper in the month of February when statute 58 was still alive. Certainly His Excellency may be assumed to have given consent to the introduction of a resolution which related to chapter 58 while chapter 58 was still in existence, because His Excellency would then be consenting to a course with respect to something that was vital, something that had a future. Had the proper course been followed, and that resolution been gone on with before the statute expired, certainly His

Excellency's consent to the introduction of the resolution would have continued with respect to any bill based upon it.

But I submit that all that can be said with respect to His Excellency's consent is that it is applicable, unless expressly provided otherwise, to moneys that may be paid out after the bill relating thereto has received royal assent; it does not, except with expressed provision, apply to retroactive payments. A resurrected measure of the kind being thought of before becoming law would have to pass the Commons and the Senate and receive the assent of His Excellency. Until His Excellency's assent—not consent—has been given, expenditure of moneys under that act could not be made. When assent is given, it is for expenditures of money to be made under its provisions from the time it is passed; it is not an assent to retroactive payments unless consent to a resolution expressly mentioning retroactive payments has been given before the bill itself was introduced. The ministry cannot so construe it. They cannot put the crown in the embarrassing position of being a party to voting the moneys of the people for the purpose of meeting payments that have become due before the measure itself under which they are to be made is law. There must be some special authority in advance so to do. So I say to the ministry, even now, before you begin to bring the Crown into this position of embarrassment—the Prime Minister laughs. That appears to be the Prime Minister's chief role in this parliament, to laugh, to laugh.

Mr. BENNETT: He remembers 1926.

Mr. MACKENZIE KING: And the more we deal with seed relief for the farmers, and poor relief, and the like, the more the Prime Minister laughs. That is his chief contribution.

Some hon. MEMBERS: Shame.

Mr. MACKENZIE KING: It is a shame, I admit, with hon. gentlemen opposite.

Mr. BENNETT: The valley of the shadow.

Mr. ERNST: The Prime Minister was thinking of 1926.

Mr. MACKENZIE KING: I say again, Mr. Speaker, that the people of this country, and particularly the people of Saskatchewan, have a right to know the situation before they are again hoaxed in a matter of this kind by the present administration.

If a bill is to be passed, and something will have to be passed to make good payments which have been made or may have become due since the first of March and up to now for unemployment and farm relief. There is existing at present no legal authority for any such payments; everything done in that matter since the first of March, if anything has been done, is illegal. The only way whatever has been done can be legalized is by this parliament at some stage legalizing it—in that event, a bill will have to be brought in sufficiently broad to legalize what has already been done illegally, and a bill to that effect will have to be preceded by a resolution which will have received de novo the consent of His Excellency the Governor General. The process will have to be started all over again from the very beginning before payments can be made in respect to all obligations undertaken in regard to farm and unemployment relief between March 1 up to the present time. So I say that if we have been contending, as we have, for the right course to be pursued, it has been, amongst other things, to avoid all these pitfalls, to preserve the practices and the traditions of parliament, and to see that matters were expedited in the right way.

Let me say this: The ministry itself is not in ignorance of the correct way to go about obtaining money from parliament. During the course of this very debate, our proceedings were halted one day to receive a message from His Excellency the Governor General signed by his own hand, and there was presented to this House of Commons by the present Minister of Finance (Mr. Rhodes) further supplementary estimates for the fiscal year ending March 31, 1932, totalling $1,059,474.33, and there was another supplementary estimate for 1931-1932 in regard to the Canadian National Steamships. Why was there no supplementary estimate, I ask, for seed and feed relief for Saskatchewan? Was that not needed just as much as any of the things mentioned in the particular estimates which were brought down the other day? Let me mention a few of the items in those estimates. Here is an item for External Affairs, Paris; something for Geneva; here is something for the Montreal harbour commission; here is something with regard to governor general's warrants; here is something for public printing and stationery; something for contingencies, expenses of committees and clerical assistance in the House of Commons; here is something for the Yukon territory. Is this question of unemployment and farm relief not as important as any of the matters mentioned in these supplementary estimates? Why, then, did not the ministry include in these supplementary estimates an estimate for the relief of distress in Saskatchewan? They

know as well as we do that an estimate of that kind might have been included in a single line on this sheet. All hon. members on this side of the house would have agreed to pass it, and it would have been thoroughly in order and regular. Therefore, hon. gentlemen opposite cannot say we have been blocking them in any matter of mere procedure. If they had taken the same procedure in regard to the relief of the unemployed and the relief of distress in Saskatchewan, as they have adopted in connection with matters of very secondary importance, they would have long ago brought in a supply bill and already had the moneys required.

Now may I add these further remarks: I do not think the followers of the right hon. gentleman opposite have even yet a correct idea of what the ministry has in mind, or what its intentions may be. Last week, during the course of this debate, we listened to the remarks of the hon. member for South Cape Breton (Mr. MacDonald). What did he say? He said that the government is simply asking parliament for an extension of two months to carry out commitments already made. Throughout the country, the press has been repeating that statement; it has been saying that all the government is asking is to make good the commitments they have already made. I made it very clear that if such were the case we would end our oppostion at once. When the hon. member for Cape Breton was speaking I asked him, as recorded at page 1206 of Hansard, the following question:

Does he say that the bill to be introduced goes only to the length of asking that the government shall have authority to complete the commitments already made?

In reply to that the hon. member said:

That is the intention and justification for this resolution.

Then I made the further statement:

May I tell him that if the Prime Minister is prepared to introduce a bill based on the hon. member's interpretation given a moment ago, that is, a bill containing power only to meet the commitments that already have been made, we on this side will stop our opposition at once.

That was an assurance from this side of the house that, if all the government was seeking was to make good in the next two months commitments already made, we would stop our opposition at once. I say the mere fact that an hon. member of this house, a supporter of the administration, made the statement to which I have referred, and made it seriously, shows that hon. gentlemen opposite do not understand even yet the intentions of the government.

May I outline the present position. So that there may be no mistake, let me repeat what I said before the debate commenced, and what hon. members on this side of the house have said over and over again. At the same time let it be remembered, we are on the eve of an Easter recess. Tomorrow evening at six o'clock parliament will adjourn until the following Tuesday. I desire to make it perfectly clear that, between now and that time, if the government wishes to proceed with regard to unemployment relief as they have proceeded with these other matters which they brought in in the supplementary estimates, we will do all in our power to see that the rules of this house are suspended to permit a supply bill being put through tomorrow afternoon and the necessary supply for relief voted before adjournment at six o'clock. I want the people of Saskatchewan to know tomorrow night, beyond all possibility of mistake, if they have to go through this Easter period without relief, who is responsible for the fact. They will know where the responsibility lies if the course I have suggested is not taken. I am making my speech this evening in order that the ministry, which has the forenoon to arrange such matters, may present an estimate and draft a supply bill in the same form as they have always done on other occasions. If they will do that, we will do all in our power to expedite its passage through all its stages.

We will go a step farther. There is on the order paper at the moment a motion to go into committee of supply, and an amendment thereto standing in the name of Mr. Heenan. Until that motion is disposed of, the house cannot go into committee of supply. If the government will bring down a supply bill, stating their requirements for purposes of relief, we will be prepared to vote on Mr. Heenan's amendment at once, and get rid of it so that it will be out of the way, in order that the house may immediately go into committee to consider the necessary supply for unemployed and farm relief. We would not press the debate on the Heenan amendment any further; we are perfectly willing to get it out of the way, provided that is in order to have the decks perfectly clear to proceed in supply with unemployment relief. There can be no mistake about our position in this respect.

At this point I wish to direct my remarks more particularly in relation to the province of Saskatchewan. Within the last day or two communications from Premier Anderson have

been quoted in the press, and to-day a reference to them was made in the house by an hon. member from this side. In addition to the telegrams Premier Anderson sent out, he made a statement last night which at this time I should like to read. It is as follows:

During the past year Saskatchewan suffered what has been termed by people generally throughout the Dominion as a "national disaster." This came as a result of three successive crop failures, the failure of 1931 affecting directly one-third of Saskatchewan's population. In order to meet this situation, a provincial relief commission was set up and it has been serving the needs of 50,000 families throughout Saskatchewan.

These people will have to be looked after until another crop is reaped or at least until one is assured.

That is the statement by the Premier of Saskatchewan. He says those people will have to be looked after until another crop is reaped, or at least until one is assured. Any legislation based upon the measure the government are now asking us to consider cannot extend beyond the first of May. But the Premier of Saskatchewan states that that province must have assistance until another crop is assured, in other words, until, say, the 1st of September. Supposing we were to consent to the passage of the proposed measure, would it meet the situation in Saskatchewan? Certainly not, according to the statement of the premier of that province. He says the farmers of Saskatchewan will have to have sufficient supply voted to help them until they are assured of their crop.

Speaking to the people of Saskatchewan, as a representative of the province of Saskatchewan, as well as leader of my party, may I say what the Liberal party in Canada is prepared to do for that province. If to-morrow, Wednesday, before this house adjourns, the Prime Minister, or any member of his government, brings in a bill stating how much money the government requires in the way of supply, to care for the unemployed and for the relief of distress in Saskatchewan—in fact, for relief in all parts of Canada—not merely until the first of May, but until the first of September, we will, so far as it lies within our power so to do, put that bill through the house before Easter adjournment.

We will go even a step farther, so that there may be no mistake about our position. The Imperial conference is to be held next summer; quite certainly the government will want time to consider matters in connection with it. Once the Easter recess is over, there will be great anxiety to deal with fiscal problems and to get away from those which have to do with unemployment and relief. If to-morrow, the government will say how much they need by way of unemployment and farm relief funds, not merely until the first of May, not merely until the first of September, but until March 31, 1933, and on their responsibility as a ministry will state the amount, I say that all hon. members in this Liberal opposition will do their utmost to see that the necessary supply required is voted to-morrow. In order that the people of this country, whether they be men or women out of work in our cities, or men and women in circumstances of distress in rural areas, whether they be grown-ups or children, whoever they are, may have the relief they require without delay, I now repeat that if this government will undertake to state its policy to-morrow, bring in a supply bill indicating what they need, place the amount at whatever figure they wish to put it, we, as members of this House of Commons belonging to the Liberal party, will do all in our power to secure the passage of the measure through this house before we adjourn for the Easter recess.

I should like to know if it is possible to go farther than that—but I am prepared to go farther. Rather than leave these people who are suffering in the different parts of this country—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: Mr. Speaker, I hope Hansard will record the jeers of hon. members opposite the moment the word "suffering" is mentioned. The moment that word is mentioned hon. members opposite begin to jeer. I hope the records of Hansard will show where they stand in this matter.

I wish to make our position clear; we recognize that the government is in difficulty, and that they have got into the difficulty they have through their own fault. We recognize that it is hard for a man with the temperament of the Prime Minister to retreat from any position, however wrong, once it is taken, but we on this side have no desire to occasion him further embarrassment than he is prepared to bring on himself. Our position is related solely to the rights of the people through their representatives in parliament, and to the dignity and powers of parliament. If a way can be found to uphold the latter and at the same time relieve the Prime Minister and his colleagues of further embarrassment we are prepared to join in taking it.

May I say this: In this parliament we are all agreed that relief is necessary; there is no question of that. There is no doubt a certain amount of money is needed. The only point of difference is this: Hon. gentlemen opposite

say, "We insist on proceeding under chapter 58, if we cannot so proceed, we will not proceed at all." We say, "Proceed under the regular rules of the house and we will give you whatever you want." But they insist, "Chapter 58 is something under which we have been acting for a good many months. We have become used to it, and we have made commitments under it." This afternoon the Minister of Agriculture told us that the government were anxious to continue under chapter 58 because—I have forgotten his exact words, but they were to the effect that it was less cumbersome, or something of the kind, than any other way. I took down his words, but I have forgotten them for the moment. Here they are; he said that it would mean less in the way of disruption with the provinces. I think the Prime Minister said it was a more expeditious way of dealing with things. Of course it is; the way of the Prussian autocrat is the most expeditious method on earth, but it is not the best method to be adopted.

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE KING: I am speaking of methods; I am not referring to anyone in particular. I say the methods of the Prussian autocrat, or the Russian autocrat, or any other autocrat, are not the correct methods of procedure. We do not want these military methods brought into this House of Commons and put into practice by any political autocrat. I hope my hon. friend understands the meaning of what I have said. Autocracy is not the way to proceed where there is a democratic form of government.

The Minister of Agriculture says it would mean less disturbance if we could deal with this matter by an act under which the government have been acting already. The Prime Minister said it will be more expeditious and efficient. The Minister of Trade and Commerce said the trouble with dealing with this matter in the ordinary way in which the government does things is that the Auditor General checks up the accounts, whereas by this method the government can get away from the Auditor General. We have seen how the Governor General has been side tracked, and how parliament has been side tracked. Now the suggestion is that the we should side track the Auditor General. With his colleagues side tracked, who is left? We have no one left but the Prime Minister.

At any rate, these are the reasons brought forward as to why this measure should be passed. If this measure is so dear to the hearts of hon. gentlemen opposite, if that is the whole excuse and reason for it being brought in, I say take out these few words which constitute the blank cheque provision and substitute any specific amount you wish; make it any amount you deem to be necessary, $10,000,000, $50,000,000, $100,000,000, or as many millions as you like to move, and introduce the bill in that form, with but one other change: take out the words that give to the ministry itself, while this parliament is in session, the power to legislate by order in council in connection with peace, order and good government: make those two changes in chapter 58, bring in a resolution to revive the provisions of chapter 58 changed only in these two particulars, and I do not hesitate to say that hon. gentlemen on this side will help to put even that measure through this house. I venture that statement at the moment on my own responsibility, but I will say to the Prime Minister now, in the presence of all hon. members of this house, that I am prepared to discuss that question with the members of my party at to-morrow morning's caucus, and I will be able to tell him by twelve o'clock whether we will be prepared to help put the measure through in that form if it is brought in.

Some hon. MEMBERS: Tell him now.

Mr. MACKENZIE KING: I hear the members behind me say "Tell him now." I will tell him. I say to my right hon. friend that if he is so very fond of this particular measure, if he has entered into commitments under it, if he is so used to the language of it or if the provinces are so used to the language of it, that there is nothing—

Mr. RYCKMAN: The hon. gentleman said it was dead, so how can it be dealt with?

Mr. MACKENZIE KING: I am glad to see my hon. friend is not dead; I really am glad to see him looking so well, but may I say this to him—

Mr. RYCKMAN: You said it was dead and could not be dealt with.

Mr. MACKENZIE KING: But I am trying to show my hon. friend how it can be resurrected; this is something he may be glad to know. Now may I say to the Prime Minister and the members of the government that, if they are determined to have this measure, because of its phraseology or for any other reason, if they will take out the blank cheque provision and the power to legislate by order in council with respect to peace, order and good government inserting whatever amount they deem necessary to meet all obligations; if they will to-morrow introduce a resolution to the effect that they intend to

introduce such a bill, a measure similar to chapter 58, one which will revive the provisions of that chapter, one which will give it life—my hon. friend the Minister of National Revenue will be interested in this—a bill which will serve to revive the provisions of chapter 58 with only these two changes, that when that is done, if the government will move to suspend all further business of the house until the measure is put through this house, we of the official opposition will undertake to support such a measure, and to see if it cannot be passed through this house before the Easter recess.

Let me conclude, Mr. Speaker, with this word: It is a very serious business for the people of this country who are in distress to be kept waiting for a period of weeks—

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: —because of the autocratic attitude of my hon. friends opposite, when, by following the ordinary rules of this parliament, and the known practices, customs and traditions of British parliaments everywhere, relief might readily be given before the Easter vacation takes place. I wish to repeat that having this in mind my purpose in speaking to-night was that the ministry may have to-morrow morning, and before this house meets in the afternoon, to prepare whatever measure may be necessary along the lines indicated; and in order that they may come here and present their measure to parliament, with the pledge that on our part we will do all we can to expedite its successful passage through this house. I do this in order that at this Easter season there may no longer be doubt in the mind of any man, woman or child in this country as to the measure of unemployment relief and of relief of the distressed wherever they are to be found which the government is prepared to provide.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Wednesday, March 23, 1932

The house met at three o'clock.

PRIVATE BILL

FIRST READING

Bill No 35, respecting the Canadian Pacific Railway Company.—Mr. Matthews.

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—NOTICE OF MOTION FOR CLOSURE

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I beg to give notice to the house that at the next sitting I will move that the debate on item number 13 of the orders of the day, that Mr. Speaker leave the chair, and the previous question moved thereupon shall not be further adjourned.

Yesterday the former Minister of National Revenue (Mr. Euler) said:

> This discussion has been carried on at great length. I think sometimes the time of parliament is wasted, and we on this side are as much to blame as those on the other side, sometimes perhaps more. But I do not believe that this discussion has been a waste of time. I believe that the people of Canada, when they are thoroughly seized of the importance of this particular resolution and of the bill to be founded upon it, will justify us in what we are doing. I would say this further, and I am speaking for myself alone: I would invite the government, if it feels that we are blocking legislation deliberately and not with the interests of the country at heart, to apply the closure, and we are quite willing to abide by the decision with regard to it.

On Friday last I considered the desirability, in view of the fact that the Easter adjournment was imminent, of giving the notice which I have just read, but I thought that possibly the situation would clarify and it would not be necessary. In view of what has transpired it now becomes essential in the interests of those who are most concerned that such should be done. In view of the fact that the right hon. leader of the opposition (Mr. Mackenzie King)—

Mr. MACKENZIE (Vancouver): Mr. Speaker, I rise to a point of order, is this question debatable?

Mr. BENNETT: I desire to say—

Some hon. MEMBERS: Order.

Mr. BENNETT: Mr. Speaker is not on his feet.

Mr. SPEAKER: What is the point of order?

Mr. MACKENZIE (Vancouver): I asked Your Honour's ruling as to whether or not notice of a motion to be moved at the next sitting is debatable.

Mr. SPEAKER: The leader of the government and the leader of the opposition are given a certain latitude in matters of this kind. I do not think the remarks have been over-extended on this occasion.

Mr. BENNETT: I was going to say when I was interrupted that inasmuch as the right hon. the leader of the opposition had expressed so great a desire to expedite the passing of legislation which would assist those who are greatly in need, and inasmuch as we propose to proceed with closure on Tuesday next

when the house meets, it might be that in his great anxiety he will expedite the application this afternoon of the motion for closure and permit the passing of the legislation before we adjourn.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

MONTREAL HARBOUR COMMISSION—CLAIMS FOR COLD STORAGE SHORTAGES

Mr. TAYLOR:

What claims were paid by the Montreal harbour commission for shortage in the cold storage during the period from January, 1922, to June, 1926, and from October, 1926, to August, 1930?

Mr. DURANLEAU:

The following information has been furnished by the Montreal harbour commissioners:

The following claims were paid by the harbour commissioners for shortages at the cold storage warehouse during the period from January, 1922, to June, 1926, and from October, 1926, to August, 1930:

1924, January—Watt & Scott, Ltd., 2 bags shelled peanuts, short in R.R. car, but overlooked when car contents were checked into warehouse.. ..	$40 47
1925, February—Kelly-Springfield Tire Co., inner tubes stolen by outside thief; man chased, but not caught..	19 98
1925, March—Gunn Langlois & Company, 7 crates eggs; 2 boxes cheese; 8 boxes butter; delivered on order subsequently lost..	283 12
1925, October—Hudon, Hebert & Company, 2 cases apricots, short in company's lot when last delivery ordered..	10 50
1926—Nil.	
1927—Nil.	
1928—M. Pesner & Son, 31 lambs wrongly delivered..	286 44
1929, October—Montreal Fruit Exchange, 100 boxes peaches at $1.40 wrongly delivered by warehouse man J. White from Montreal Fruit Exchange lot, to fill an order for 100 boxes peaches belonging to Fruit Importers, Ltd...	140 00
1930, March—Jean Ruffo, 5 crates California celery at $12, delivered to M. Brown in error lot belonging to Jean Ruffo..	60 00
Total..	$ 840 51

ST. GODFROID, QUE., POSTMASTER

Mr. MARCIL:

1. Has the postmaster of St. Godfroid, county of Bonaventure, Quebec, been dismissed and for what reasons?
2. Has a temporary postmaster been appointed? If so, what is his name and on whose recommendation was the appointment made?
3. Has a permanent appointment been made in that office?

Mr. SAUVE:

1. Yes—Commissioners' report found postmaster guilty of active political partisanship.
2. Yes—Edmond Chapados. Recommended by Hon. Dr. E. Paquet.
3. Yes.

LITTLE CASCAPEDIA, QUE., POSTMASTER

Mr. MARCIL:

1. Has the postmaster of Little Cascapedia, county of Bonaventure, Quebec, been dismissed and for what reasons?
2. Has a temporary postmaster been appointed? If so, what is his name and on whose recommendation was the appointment made?
3. Has a permanent appointment been made in that office?

Mr. SAUVE:

1. Yes—Commissioners' report found postmaster guilty of active political partisanship.
2. Yes—Pierre Poirier. Recommended by Hon. Dr. E. Paquet.
3. Yes.

PORT DANIEL WEST, QUE.—POSTMASTER.

Mr. MARCIL:

1. Has the postmaster of Port Daniel West, county of Bonaventure, Quebec, been dismissed and for what reasons?
2. Has a temporary postmaster been appointed, if so, what is his name and on whose recommendation was the appointment made?
3. Has a permanent appointment been made in that office?

Mr. SAUVE:

1. No.
2 and 3. See answer to No. 1.

RESTIGOUCHE, QUE.—POSTMASTER

Mr. MARCIL:

1. Has the postmaster of Restigouche, county of Bonaventure, Quebec, been dismissed and for what reasons?
2. Has a temporary postmaster been appointed, if so, what is his name and on whose recommendation was the appointment made?
3. Has a permanent appointment been made in that office?

Mr. SAUVE:

1. Yes. Commissioners' report found postmaster guilty of active political partisanship.
2. Yes. Frank C. Roy. Recommended by Hon. Dr. E. Paquet.
3. No.

CARLETON POINT, QUE.—LIGHTKEEPER

Mr. MARCIL:

1. Was Louis Bujold, lighthouse keeper at Carleton Point, Quebec, dismissed?
2. If so, who was appointed temporarily in charge?
3. Has a permanent appointment been made, if so, who has been appointed?

Mr. DURANLEAU:

1. Yes.
2. Henry Joseph E. Martin.
3. No permanent appointment has yet been made.

PASPEBIAC, QUE.—LIGHTKEEPER

Mr. MARCIL:

1. Has the lightkeeper at Paspebiac, Quebec, been dismissed and who has been appointed in his place?
2. Has a permanent appointment been made, if so, who has been appointed.

Mr. DURANLEAU:

1. Yes; Arsene Poirier, temporary lightkeeper.
2. No.

ST. GODFROID, QUE.—LIGHTHOUSE KEEPER

Mr. MARCIL:

Has Jacques Grenier, keeper of the lighthouse and signal station at St. Godfroid, Quebec, been dismissed, if so, who has been appointed in his place?

Mr. DURANLEAU:

Yes; Philippe LeBrasseur as lightkeeper; William Edmund Sullivan as storm signal agent.

ST. OMER, QUE.—LIGHTHOUSE KEEPER

Mr. MARCIL:

1. Has the lighthouse keeper at St. Omer, county of Bonaventure, Quebec, been dismissed, if so, who has been appointed in his place?
2. For what reason was the keeper dismissed, was there an investigation held and by whom?

Mr. DURANLEAU:

1. Yes, Jean Arseneault.
2. Political partisanship. An investigation was held by Commissioner Gerard Simard.

CARLETON, QUE., LIGHTKEEPER

Mr. MARCIL:

1. Has the lightkeeper at Carleton, Quebec, been dismissed, if so, who has been appointed in his place?
2. For what reason was the keeper dismissed, was there an investigation held and by whom?

Mr. DURANLEAU:

1. Yes; Robert Lefebvre.
2. Political partisanship; an investigation was held by Gerard Simard, commissioner.

CAP ST. IGNACE, POSTMASTER

Mr. FAFARD:

1. Was the position of postmaster at Cap St. Ignace, county of Montmagny, Quebec, advertised as vacant?
2. If so, what are the names of those who applied for said position?
3. What is the name of the person who was appointed to said position?

Mr. SAUVE:

1. Yes.

2 and 3. Vacancy advertised up to 12th March, and report not yet received.

VESSEL ST. HELIERS

Mr. ARTHURS:

1. Does the government own a vessel called the St. Heliers?
2. If so, from whom was she purchased and at what price?
3. When and where was this vessel built?
4. What amount has been expended to date for remodelling and repairs of this vessel?
5. What is the estimated cost for fuel daily: (a) when in commission; (b) when idle?

Mr. DURANLEAU:

1. Yes.
2. Saint John Dry Dock and Shipbuilding Company, Saint John, N.B., $187,000.
3. 1919, Port Glasgow, Scotland.
4. $19,383.07.
5. (a) $94 when running; (b) $12 when idle, but under steam.

PICTOU, N.S., PUBLIC WHARF

Mr. ILSLEY:

1. What amount of money was expended by the government during the year 1931 on repairs to the public wharf at Pictou, Nova Scotia: (a) for material; (b) for labour?
2. Who was the foreman in charge of the work?
3. What remuneration did he receive?
4. On whose recommendation was he appointed?
5. By whom was the timber for said work supplied?
6. Were tenders called for the supply of timber?
7. Who was the lowest tenderer?

Mr. STEWART (Leeds):

1. (a) Material..	$1,145 74
(b) Labour..	1,834 72
	$2,980 46

(For repairs on public wharf known as commissioner's wharf).

2. Malcolm Langhill.

3. $5 per day for 72 days from 16th November, 1931, to 8th February, 1932, total, $360.

4. District engineer.

5, 6 and 7. Part of timber used to the amount of $251.20 was transferred from material remaining from C.N.R. wharves. The remainder to the amount of $624.70 was supplied by D. Fullerton & Son Ltd., Pictou, N.S., pursuant to tender.

ABERCROMBIE, N.S., PUBLIC WHARF

Mr. ILSLEY:

1. What amount of money was expended by the government during the year 1931 on repairs to the public wharf at Abercrombie, Nova Scotia: (a) for material; (b) for labour?

2. Who was the foreman in charge of the work?

3. What remuneration did he receive?

4. On whose recommendation was he appointed?

5. By whom was the timber for this work supplied?

6. Were tenders called for the supply of timber?

7. Who was the lowest tenderer?

Mr. STEWART (Leeds):

1. (a) Material..	$2,195 40
(b) Labour..	1,669 00
	$3,864 40

2. N. F. Henderson.

3. $4.50 per day for 47½ days from 16th October, 1931, to 15th December, 1932, total $213.75.

4. District engineer.

5. James R. Porter, Stellarton, N.S.; John Rafuse, R.R. No. 3, New Glasgow, N.S.

6. Yes.

7. J. R. Porter.

LARRY'S RIVER, N.S., POSTMASTER

Mr. DUFF:

1. Was Simon J. Pelerin dismissed from the position of postmaster at Larry's River, Nova Scotia?

2. Why was he so dismissed?

3. Was an investigation held and by whom?

4. What was the cost of said investigation?

5. Who was appointed postmaster or postmistress in his place?

6. What is the age of said appointee?

Mr. SAUVE:

1. Yes.

2. Postmaster found guilty of political partisanship.

3. Yes, by N. D. Murray, Halifax.

4. $106.70.

5. Miss Nina Theresa Murphy.

6. 23.

NOTRE DAME DU LAC, QUE., POSTMASTER

Mr. POULIOT:

1. Is the position of postmaster at Notre-Dame du Lac, Quebec, vacant?

2. If so, has the vacancy been advertised and when?

3. If not, why?

Mr. SAUVE:

1. Yes.

2. Advertised from 8th to 23rd of January 1932.

3. Answered by 2.

SULLY, QUE., POSTMASTER

Mr. POULIOT:

1. Who were the applicants for the position of postmaster at Sully, Quebec?

2. How many were returned soldiers?

3. Has the vacancy been advertised?

4. If so, when?

5. If not, why?

Mr. SAUVE:

1. Two applications already received: (a) Andrea Tardif; (b) Isidore Jean.

2. One.

3. No.

4. See number three.

5. Order in council, confirming the commissioners' report finding the postmaster guilty of political partisanship, has not yet been passed.

POINTE LEBEL, QUE., POSTMASTER

Mr. POULIOT:

1. Is Henri Granier, postmaster at Pointe Lebel, county of Saguenay, a British subject by birth or by naturalization?

2. If by birth, where was he born and on what date?

3. If by naturalization, on what date was he naturalized?

Mr. CAHAN:

Post Office Department:

1. By naturalization, according to postmaster's statement.

2. Born Visan (France), 15th May, 1861.

3. No information as to date of naturalization.

Secretary of State Department:

1. No record of his naturalization.

2. and 3. Answered by No. 1.

LA RICHARDIÈRE, QUE., POSTMASTER

Mr. POULIOT:

1. What is the date of the dismissal of Joseph Michaud, as postmaster of La Richardière, Quebec?

2. Why was he dismissed?

3. Did many persons apply for the position?

4. If so, what are their names?

5. On whose recommendation did the Postmaster General appoint the present postmaster and for what reasons was he given the preference over other candidates?

Mr. SAUVE:

1. September 7th, 1931.
2. Commissioners' report found postmaster guilty of active political partisanship.
3. One.
4. François Michaud.
5. Recommended by Mr. C. E. Dubé.

ST. ELOI, QUE.—MAIL CARRIER

Mr. POULIOT:

1. Who is the mail carrier between St. Eloi, county of Témiscouata, Quebec, and the station?
2. What is the total amount of this contract?
3. On what date was his tender accepted?
4. What was the amount of his original tender?
5. Were there other tenderers?
6. If so, what are their names and what was the amount of each respective tender?

Mr. SAUVE:

1. François Tardif.
2. $346.74 per annum.
3. September 16, 1931.
4. $366 per annum.
5. Yes.
6. Alfred Dionne, $275, withdrawn at the request of the tenderer; François Tardif, $366; Napoléon Rioux, $400; Joseph Dionne, $450.

CHEMIN DU LAC, QUE.—POSTMASTER

Mr. POULIOT:

1. On what date was Mr. Geo. Alphonse Belanger dismissed as postmaster of Chemin du Lac, Quebec?
2. Why was he dismissed?
3. Did many persons apply for his position?
4. If so, what are their names?
5. On whose recommendation did the Postmaster General appoint the present postmaster, and why was he chosen in preference to other candidates?

Mr. SAUVE:

1. March 2, 1932.
2. Inattention to duty and assistant tampering with mail.
3. Two applications received.
4. J. E. Caron, Andre Caron.
5. Recommended by Mr. C. E. Dubé, as most suitable candidate.

DENONVILLE, QUE.—POSTMASTER

Mr. POULIOT:

1. On what date was Mr. Thomas Dubé dismissed as postmaster of Denonville, Quebec?
2. Why was he dismissed?
3. Did many persons apply for his position?
4. If so, what are their names?

[Mr. Pouliot.]

5. On whose recommendation did the Postmaster General appoint the present postmaster and why was he chosen in preference to other candidates?

Mr. SAUVE:

1. November 13, 1931.
2. Removal of office to more central location.
3, 4 and 5. One applicant, Mr. Theodule Michaud, who provided a more central location. Recommended by Mr. C. E. Dubé.

RIOU, QUE.—POSTMASTER

Mr. POULIOT:

1. What was the date of the dismissal of Mr. Omer Sirois as postmaster of Riou, Quebec?
2. Why was he dismissed?
3. Did many persons apply for the position?
4. If so, what are their names?
5. On whose recommendation did the Postmaster General appoint the present postmaster, and why was he chosen in preference to other candidates?

Mr. SAUVE:

1. April 2, 1931.
2. Removal of office to a more central location.
3, 4 and 5. One applicant, Mrs. Emile Ouellet, who provided a more central location. Recommended by Mr. C. E. Dubé.

IVRY, QUE.—POSTMASTER

Mr. POULIOT:

1. On what date was Mr. Joseph Morneau dismissed as postmaster of Ivry, Quebec?
2. Why was he dismissed?
3. Did many persons apply for his position?
4. If so, what are their names?
5. On whose recommendation did the Postmaster General appoint the present postmaster, and why was he chosen in preference to other candidates?

Mr. SAUVE:

1. October 24, 1931.
2. Removal of office to a more central location, according to the report of the Inspector.
3, 4 and 5. One applicant, Pierre Fortin, who provided a more central location. Recommended by Mr. C. E. Dubé.

MONTAGNE RONDE, QUE.—POSTMASTER

Mr. POULIOT:

1. On what date was Mr. David Lebel dismissed as postmaster of Montagne Ronde, Quebec?
2. Why was he dismissed?
3. Did many persons apply for his position?
4. If so, what are their names?
5. On whose recommendation did the Postmaster General appoint the present postmaster, and why was he chosen in preference to other candidates?

Mr. SAUVE:

1. August 27, 1931.

2. Commissioners' report found postmaster guilty of active political partisanship.

3, 4 and 5. One applicant, Eugene Lepage. Recommended by Mr. C. E. Dubé.

DENONVILLE, QUE., CHARGES OF POLITICAL PARTISANSHIP

Mr. POULIOT:

1. Did the Postmaster General since August, 1930, order an inquiry in connection with the charges of political partisanship lodged against the postmaster at Denonville, Quebec?

2. If so: (a) at whose written request was this inquiry granted; (b) was said written request accompanied by many affidavits; (c) if so, what is the date, and the name of the person whose signature is attached to each affidavit; (d) on what date was each affidavit received by the Postmaster General; (e) on what date did the Potsmaster General order the inquiry?

Mr. SAUVE:

1. No.

2. See answer to No. 1.

CHEMIN DU LAC, QUE., CHARGES OF POLITICAL PARTISANSHIP

Mr. POULIOT:

1. Did the Postmaster General since August, 1930, order an inquiry in connection with the charges of political partisanship lodged against the postmaster at Chemin du Lac, Quebec?

2. If so: (a) at whose written request was this inquiry granted; (b) was said written request accompanied by many affidavits; (c) if so, what is the date, and the name of the person whose signature is attached to each affidavit; (d) on what date was each affidavit received by the Postmaster General; (e) on what date did the Postmaster General order the inquiry?

Mr. SAUVE:

1. No.

2. See answer to No. 1.

RIOU, QUE., CHARGES OF POLITICAL PARTISANSHIP

Mr. POULIOT:

1. Did the Postmaster General since August, 1930, order an inquiry in connection with the charges of political partisanship lodged against the postmaster at Riou, Quebec?

2. If so: (a) at whose written request was this inquiry granted; (b) was said written request accompanied by many affidavits; (c) if so, what is the date, and the name of the person whose signature is attached to each affidavit; (d) on what date was each affidavit received by the Postmaster General; (e) on what date did the Postmaster General order the inquiry?

Mr. SAUVE:

1. No.

2. See answer to No. 1.

IVRY, QUE., CHARGES OF POLITICAL PARTISANSHIP

Mr. POULIOT:

1. Did the Postmaster General, since August, 1930, order an inquiry in connection with charges of political partisanship lodged against the postmaster at Ivry, Quebec?

2. If so: (a) at whose written request was this inquiry granted; (b) was said written request accompanied by many affidavits; (c) if so, what is the date, and the name of the person whose signature is attached to each affidavit; (d) on what date was each affidavit received by the Postmaster General; (e) on what date did the Postmaster General order the inquiry?

Mr. SAUVE:

1. No.

2. See answer to No. 1.

SULLY, QUE., CHARGES OF POLITICAL PARTISANSHIP

Mr. POULIOT:

1. Did the Postmaster General, since August, 1930, order an inquiry in connection with charges of political partisanship lodged against the postmaster at Sully, Quebec?

2. If so: (a) at whose written request was this inquiry granted; (b) was said written request accompanied by many affidavits; (c) if so, what is the date, and the name of the person whose signature is attached to each affidavit; (d) on what date was each affidavit received by the Postmaster General; (e) on what date did the Postmaster General order the inquiry?

Mr. SAUVE:

1. Yes.

2. (a) Mr. C. E. Dubé; (b) and (c) written request was accompanied by written statement from Herman Tardif, dated 4th of September, 1931; (d) September 7th, 1931; (e) Instructions sent to commissioner 14th October, 1931.

NOTRE DAME DU LAC, QUE., CHARGES OF POLITICAL PARTISANSHIP

Mr. POULIOT:

1. Did the Postmaster General, since August, 1930, order an inquiry in connection with charges of political partisanship lodged against the postmaster at Notre Dame du Lac, Quebec?

2. If so: (a) at whose written request was this inquiry granted; (b) was said written request accompanied by many affidavits; (c) if so, what is the date, and the name of the person whose signature is attached to each affidavit; (d) on what date was each affidavit received by the Postmaster General; (e) on what date did the Postmaster General order the inquiry?

Mr. SAUVE:

1. Yes.

2. (a) Mr. C. E. Dubé; (b) and (c) written request was accompanied by statement, undated, signed by I. T. Voisine; (d) 27th January, 1931; (e) Instructions sent to commissioner, 6th March, 1931.

LAMY SUD, QUE., CHARGES OF POLITICAL PARTISANSHIP

Mr. POULIOT:

1. Did the Postmaster General, since August, 1930, order an inquiry in connection with charges of political partisanship lodged against the postmaster at Lamy Sud, Quebec?

2. If so: (a) at whose written request was this inquiry granted; (b) was said written request accompanied by many affidavits; (c) if so, what is the date, and the name of the person whose signature is attached to each affidavit; (d) on what date was each affidavit received by the Postmaster General; (e) on what date did the Postmaster General order the inquiry?

Mr. SAUVE:

1. Yes.

2. (a) Mr. C. E. Dubé; (b) and (c) written request was accompanied by statement, undated, signed by Isidore Ouellet; (d) 14th of January, 1931; (e) Instructions sent to commissioner, 26th September, 1931.

ST. ARSENE, QUE., CHARGES OF POLITICAL PARTISANSHIP

Mr. POULIOT:

1. Since August, 1930, did the Post Office Department order an inquiry into charges of political partisanship brought against the postmaster at St. Arsene, Quebec?

2. If so: (a) upon whose written request was this inquiry granted; (b) was the written request for this inquiry accompanied by many affidavits; (c) if so, on what date, and by whom was each of these affidavits signed; (d) on what date was each of these affidavits received by the Post Office Department; (e) on what date did the Post Office Department order an inquiry?

Mr. SAUVE:

1. No.

2. See answer to No. 1.

QUESTIONS PASSED AS ORDERS FOR RETURN

POST OFFICE DEPARTMENT, OTTAWA—INSIDE SERVICE APPOINTMENTS

Mr. BARBER:

1. According to the records of the Civil Service Commission, how many employees were appointed to the inside service of the Post Office Department at Ottawa during the past three calendar years: (a) temporary; (b) permanent?

2. According to the records of the Civil Service Commission, how many of the requests from the Post Office Department for the above-mentioned appointments specified bilingual employees: (a) temporary; (b) permanent?

3. How many of these positions to which employees were appointed are shown on the Civil Service Commission records as requiring bilingual qualifications: (a) temporary; (b) permanent?

[Mr. Sauvé.]

4. How many of these positions as shown by the Civil Service Commission records were formerly occupied by bilingual employees: (a) temporary; (b) permanent?

POLITICAL PARTISANSHIP INQUIRIES

Mr. POULIOT:

1. How many postmasters had to undergo inquiries for political partisanship since August, 1930: (a) each month, and (b) in each province?

2. In how many cases: (a) each month since August 1, 1930, and (b) in each province, did the Postmaster General require a written complaint accompanied by an affidavit before granting an inquiry for political partisanship?

GOVERNMENT PURCHASING AGENTS

Mr. FRASER (Cariboo):

1. How many: (a) full time; (b) part time; (c) temporary, purchasing agents were there in the employ of the government in each department, on each of the following dates, January 1, 1930; January 1, 1932?

2. How many: (a) full time; (b) part time; (c) temporary, assistants to purchasing agents in any and all classifications were employed by the government in each department on each of the following dates, January 1, 1930; January 1, 1932?

3. What is the total cost of this service to the government in each department, for each of the fiscal years ending March 31, 1930, and March 31, 1931?

TÉMISCOUATA COUNTY POSTMASTERS—CHARGES OF POLITICAL PARTISANSHIP

Mr. POULIOT:

1. Did the Postmaster General, since August, 1930, communicate by correspondence with certain postmasters in the county of Témiscouata, Quebec, in connection with certain charges of political partisanship lodged against them?

2. If so: (a) on what dates; (b) what are the names of the postmasters; (c) what form of letter was forwarded to each of them; (d) at whose request?

UNOPPOSED MOTIONS FOR PAPERS

CALDWELL BROOK, N.B., VEGETABLE INSPECTOR

Mr. VENIOT:

For a copy of all correspondence in connection with the dismissal of C. D. Smith, of Caldwell Brook, New Brunswick, as vegetable inspector; also the evidence taken at the investigation held into the charges made against him, with the report of the investigating commissioner.

UNEMPLOYMENT AND FARM RELIEF

Mr. McKENZIE (Assiniboia):

For a copy of all telegrams received by the Prime Minister from the province of Saskatchewan, to which he referred in his statements on "Farm Relief" resolution, page 4277 of revised Hansard of July 29, 1931.

RUISSEAU LEBLANC BREAKWATER AND ST. CHARLES DE CAPLAN WHARF

Mr. MARCIL:

For a copy of the paylists and accounts for materials used in repair works at Ruisseau Leblanc breakwater in 1930 and 1931; also same information for works at the wharf at St. Charles de Caplan in 1931.

GREAT VILLAGE, N.S., WHARF

Mr. DUFF:

For a copy of all letters, telegrams, memorandums, reports and other documents, between the Department of Public Works and any person or persons in Nova Scotia regarding the expenditure of public money under the Unemployment and Farm Relief Act, 1931, on work on a wharf at Great Village, in the province of Nova Scotia, as well as copy of payrolls and invoices or memoranda re materials and prices thereof.

CLORIDORME-PETITE MADELEINE MAIL CONTRACT

Mr. BRASSET:

For a copy of all correspondence, contracts, reports, and other documents, relating to the contract for carrying the mail from Cloridorme to Petite Madeleine, held by M. C. Berubé, of Petite Madeleine, and also a copy of all documents and letters, relating to his dismissal, and the appointment of his successor.

FARM RELIEF

DISTRIBUTION AND INSPECTION OF SEED GRAIN IN SASKATCHEWAN

On the orders of the day:

Mr. A. F. TOTZKE (Humboldt): I should like to direct to the Minister of Trade and Commerce or the Prime Minister, a question based on a press despatch dated at Regina, March 21, reading:

Seed grain delivered to farmers in the drought area by the Saskatchewan Relief Commission will be inspected by ten or twelve experienced grain inspectors loaned for two weeks by the federal department of Trade and Commerce, Ottawa, from the Winnipeg inspection point. They will start Monday.

The drought area will be divided into districts and each will be in charge of one of the inspectors. Distribution of seed grain will be conducted at all points in the drought area, and farmers are urged to take delivery of their seed just as soon as possible.

Will the government confirm this report and give assurance that the farmers are now receiving seed grain?

Hon. H. H. STEVENS (Minister of Trade and Commerce): A request was made by the government of Saskatchewan for the cooperation of the experienced inspectors of the Board of Grain Commissioners. The Department of Trade and Commerce very readily acceded to the request and instructed those inspectors to render every possible cooperation.

As regards the latter part of the despatch, the grain now being distributed—I am at present speaking from what information I have at hand—is grain that was provided for prior to a week ago. It is hoped that as soon as the measure before the house is passed, the Saskatchewan government, with the assistance of the federal government, will be in a position to complete the quantity of grain required and to make the necessary distribution in time. That depends, however, upon the final disposition of the resolution and the motion before the house.

Hon. W. R. MOTHERWELL (Melville): May I ask the Minister of Trade and Commerce: has no one at all on behalf of the government as yet purchased the necessary seed grain for the west?

Mr. STEVENS: I gave all the information that I had at hand.

Mr. MOTHERWELL: It was no answer.

Mr. STEVENS: That is my hon. friend's opinion.

Mr. MOTHERWELL: As a matter of fact the seed grain is already purchased.

PRIVILEGE—MR. HOWARD

On the orders of the day:

Mr. CHARLES B. HOWARD (Sherbrooke): On a question of privilege, Mr. Speaker: last night in speaking in the house, I made this statement as reported on page 1367 of Hansard:

The Prime Minister said time and again, in interviews throughout the country, that we were not off the gold standard nor would we go off it.

The Prime Minister immediately rose and denied the statement. I amended the statement as shown in the same page of Hansard:

That has been published in the newspapers throughout Canada.

The Prime Minister again denied it. In the Ottawa Journal of October 5, 1931, this statement appears in big headlines:

Premier Bennett declares Canada is not abandoning the gold standard.

In the Ottawa Journal, which is his own newspaper, a Conservative paper, of December 15, 1931, this statement appears:

Premier Bennett denies dominion off gold standard.

The Toronto Financial Post, October 3, 1931, in its editorial column on the front page, headed "The Nation's Business," speaking of Mr. Bennett, has this to say:

On the eve of Britain's suspension of gold payments Mr. Bennett announced that Canada was on a gold basis and intended to stay there.

Again, in the Ottawa Journal of September 21, 1931, this statement appears—

Mr. SPEAKER: The hon. member has gone far enough. He is elaborating his speech of yesterday, quoting from newspapers, reports of news of the day. As I understand the matter, this constitutes no question of privilege. The hon. member stated his position yesterday. That is enough and does not allow him to continue his speech to-day.

Mr. HOWARD: I have received from the man who made the statement, a denial of it.

Mr. SPEAKER: Even so, that is no question of privilege entitling the hon. member to elaborate what he said yesterday. If he had been misquoted, it would be quite right for him to point out the mistake, but it is not in order for him to continue his speech.

Mr. HOWARD: It is a question of privilege.

Mr. SPEAKER: It is not.

Mr. HOWARD: In my constituency they will wonder why the Prime Minister denied the statement. The last quotation is this:

"What Great Britain may do is for the government of Great Britain to determine," said Mr. Bennett. "As for Canada we propose to maintain the gold standard."

Mr. SPEAKER: Order.

CANADIAN DESTROYER

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): A few weeks ago I had occasion to ask the Minister of National Defence with regard to the activities of our fleet in Salvador. I notice, according to to-day's despatch from the Port of Spain, Trinidad, that a boat crew from the Canadian destroyer Champlain quelled a riot there. May I ask what our fleet is doing in quelling riots down in Trinidad?

Hon. D. M. SUTHERLAND (Minister of National Defence): The destroyer was down there in the course of her usual winter cruise. The department has not as yet had any definite report as to the incident mentioned by the hon. member.

[Mr. Howard.]

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—CONSIDERATION OF RESOLUTION

The house resumed from Tuesday, March 22, consideration of the motion of the Prime Minister that Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole on the following proposed resolution:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, the warmth of the greeting which has just been extended is not directed to me personally but to the fact that the Conservative candidate has succeeded in being elected in the Athabaska by-election by a majority of upwards of 300 in a constituency in which a Conservative candidate has not run for ten years. It at least indicates that there is some support for the administration outside of this house, and in the house itself its support is quite ample for all purposes that may be required. But unfortunately, Mr. Speaker, there seems to be a lack of knowledge on the part of those who sit to your left that there has been an election and that they are no longer in control of the House of Commons. They seem to think that they can dictate legislation and that they are to be dictators while they talk about the autocracy of others. I think I need hardly say, Mr. Speaker, that, under our institutions, minorities do not govern and that the basis of all parliamentary institutions is the rule of the majority. But unfortunately some people are very poor losers, and they cannot for a moment contemplate the possibility of the parliament of Canada being conducted unless they themselves direct it, and failing to direct it from a majority they assume that they may do so with a noisy minority. I think probably it might be well to remind them that parliamentary institutions are based upon an entirely different assumption. The gentleman who for so many years presided at the table in the mother of parliaments wrote an approving introduction to a work from which I shall read just a few lines, namely, Redlich's Procedure of the House of Commons, the outstanding authority upon the subject. Reading from the third volume of that work, page 196, I shall now give a description of what has transpired in this house during the last ten days:

Focussing once more the results of our retrospect we may arrive at certain important conclusions which will be useful in the search

for a solution of the problem set before us. The political development of our own day has laid bare—in the first instance in England, and then in nearly all the constitutional states of Europe—the conventional foundation of parliamentary government. Parliamentary conventions appear above all in the forms of parliamentary action, in the limitations to party strategy imposed by the inviolable bounds of the rules and in the tacit agreement among all who take part in parliamentary life to handle these rules in a reasonable way. It has further appeared that, though the observance of these conventions does, to a certain extent, depend upon the social character of the membership, a far more important consideration remains: parliamentary conventions are only effective, and the parliamentary government which they support is only possible, when there is an acceptance of the constitutional basis upon which state and parliament are founded. Irreconcilable parties, which oppose an existing union of states or stand for a subordination of state to church, parties which reject the whole framework of society, or which draw their life from a principle only less deep and powerful than that of religion, the principle of nationality, are all in mortal conflict—latent if not apparent, possibly unconscious for long periods —with the conventions of parliament; they are, therefore, knowingly or unknowingly attacking parliamentary government itself, at all events in the form known to the constitution. Obstruction is, in reality, nothing less than a repudiation of the existing constitution of the country, intensified to the point of denying the right of its parliament to exist, and expressed in a conscious misuse of the forms and principles of procedure essential to the efficiency of parliamentary action. Except within these rules, conventions and forms, parliamentary work is impossible: without their protection there is no security that the political assimilation necessary for the sustenance of the parliamentary organism can be obtained. It was no mere coincidence that the assault on the British constitution by the principle of nationality brought obstruction to maturity. On looking round in Europe, wherever we see a similar spectacle, we find that it is almost always a conflict of nationalities, a struggle against existing unions of states which has brought it forth.

Mr. Redlich declares that obstruction is, in reality, nothing less than a repudiation of the existing constitution of the country, and at great length he and other writers have developed the idea by which majorities control. It is well known that in this house there is a majority supporting the administration. It is well known that it is an ample majority for all purposes and that no specious appeals for support of legislation or otherwise have been made by the government to those of independent thought for the purpose of securing their adherence to legislation that may be brought down. What is more, we have, sir, to the right of you supporters from every province in this confederation. Ours is in every sense a truly national party extending from the east to the west, supporting common principles, giving adherence and loyal devotion to common policies. And we do not now nor do we at any time propose to truckle or ask for the sacrifice of our independence of thought in order to obtain the support of those who would retain us in power for the spoils of office.

But there is another principle, a principle that underlies the principle to which I have just referred. It is the principle as to the function of an opposition. Oppositions are essential and necessary in the development of a democratic state. They serve a great and useful purpose. To the extent that criticism is frank and thorough, to that extent they do a great service to the country. To the extent that criticism is petty, to the extent to which argument may degenerate into abuse, abuse personal in its character, it fails. To the extent to which men may set up, as they sometimes do, a man of straw for the purpose of knocking him down, an opposition fails of its end. But an opposition has a duty to perform. When that duty is performed, reiteration, the re-statement of speeches upon matters that are not cognate or allied to the subject matter under consideration are not calculated to advance the interests of parliament nor yet to bring any credit on parliamentary institutions themselves. May I point out that during the long years in which the Liberal party was in opposition from 1911 to 1917 under the direction of Sir Wilfrid Laurier, never during that whole period of time, with the exception of the naval debate, to which I shall presently refer, was there a case in which any effort was made upon a resolution introduced into parliament, a resolution, I repeat, asking that the Speaker do leave the chair for the house to consider the resolution, to have a debate that extended beyond the statement of a few broad principles. Criticism has always been deferred to the bill founded upon the resolution, for the resolution declares the principle and the bill declares the details. The bill in its sections amplifies the principle. But the principle of the resolution itself, to which His Excellency the Governor General gave his approval when the motion was submitted to him for his consideration, is the foundation upon which the measure is based, and to the extent that the bill does not depart from that principle, it is correct. To the extent that it may endeavour to depart from it, it is wrong, and successive Speakers have from time to time directed attention to that fact. As I shall presently point out, in the resolution that is now before the house, what was asked was that there should be a continuance

of an existing measure until the 1st of May, and that principle is the principle which is now before the house for consideration.

When the house has engaged, as it has, as I shall presently point out, in long and weary discussions about matters that have as much to do with the subject matter of the measure under consideration as they have to do with the quelling of a riot by the sailors of the Champlain in the West Indies the other day, when I point that out, I think that the house will agree that the time had come when we had to take the course we did with respect to this measure, and say to the house that the time has come to end this prolonged discussion about matters that have no relevance to the subject matter of the resolution.

But, sir, I hold in my hand a special report from the select committee on Procedure on Public Business, together with the proceedings of the committee, minutes of evidence and index, which was ordered by the House of Commons in England, the mother of parliaments, as hon. gentlemen remind us so frequently, to be printed on the 7th day of October of last year. And it will be recalled that the Prime Minister of England, who is also a member of our privy council, there made a statement. Let me read that statement to this house. At page 5 I find the following:

> Really, what is the House of Commons itself? It consists not only of a government, but of an opposition, and they have both got functions and rights. The great right of the opposition is the full discussion of measures proposed by the government. It is there, I think, that our fundamental weakness lies. There is a doctrine that it is the function of the opposition to oppose. I have always regarded that as a crime against the state.

Those are Mr. Ramsay MacDonald's words, and they represent his opinion. He proceeds:

> It is not the function of the opposition to oppose; it is the function of the opposition to oppose second readings, but once the second reading has been accepted, the only function of the opposition is to improve in its own direction within the scope of the vote that has been registered, that is, that it should have full liberty to examine on committee and report, and then to say its final word of opposition on the third reading of the bill. The opposition has no right to obstruct in the sense of making parliament barren or unproductive.

That statement, together with the statement I made a minute ago as to the fundamental principle under which parliamentary institutions obtain, is the rule of the majority which constitutes the case we make to-day for the measure that is standing in my name. Those principles I believe cannot readily be questioned. Is it a crime against the state, as Mr. MacDonald thought it was, wilfully to oppose and maliciously to consume time in personal attacks, maliciously to consume time in making statements which must be known to be untrue, making statements which must be known are wholly beside the question? Is it not, if his statement be correct, in the true and just sense of the term, a crime against the state that this sort of thing should continue?

I will not traverse the ground so admirably covered yesterday as to the number of hon. members in this chamber who up to this moment have participated in the debate. I will not indicate how parliament has expressed its views through its constituted members. I will not—although I say if anyone did analyze the speeches which have been made such analysis would show that they might be equally applicable to a discussion on the budget, or on a measure dealing with a question respecting our foreign relations. They would be equally applicable to one case as to the other. They must have been made for one purpose, and that purpose, it is apparent to every hon. member in this house, was to fill in the time that was taken up in making those speeches.

Having concluded that phase of the matter, in short, I desire to divert the minds of hon. members to the consideration of other matters, and to draw their attention to the measure now under consideration. This measure may be described as a resolution asking parliament to reenact chapter 58 of the statutes of Canada. That is what it is. It is not in the nature of a permanent enactment but for a period of only two months or eight weeks, some three of which have now passed. To that measure I am now going to direct the attention of the house, so that there may be no misapprehension of the true purpose and import of the legislation. The following is the preamble to the bill:

> Whereas by reason of the continuing world-wide economic depression there exists in many parts of Canada a serious state of unemployment and distress; and whereas the partial failure of the wheat crop of western Canada has intensified the adverse economic conditions theretofore prevailing; and whereas it is in the national interest that parliament should support and supplement the relief measures of the provinces and other bodies in such ways as the governor in council may deem expedient, and for that purpose should vest in the governor in council the powers necessary to ensure the speedy and unhampered prosecution of all relief measures and the maintenance of peace, order and good government in Canada; now therefore His Majesty by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

Then, section 1 gives the title. Section 2 authorizes payments at the discretion of the governor in council out of the consolidated revenue fund of Canada of all such sums as may be necessary for relieving distress, providing employment and maintaining within the competence of parliament, peace, order and good government throughout Canada.

Then, in order that there may be no doubt as to what was in the minds of those who asked for such powers the further details are given:

Without restricting the generality of the terms of the next preceding section hereof, and notwithstanding the provisions of any statute or law, the governor in council may:

(a) Provide for the construction, extension or improvement of public works, buildings, undertakings, railways, highways, subways, bridges and canals, harbours and wharves, and any other works and undertakings of any nature or kind whatsoever;

(b) Assist in defraying the cost of the production, sale and distribution of the products of the field, farm, forest, sea, river and mine;

(c) Assist provinces, cities, towns, municipalities, and other bodies or associations, by loaning moneys thereto or guaranteeing repayment of moneys thereby, or in such other manner as may be deemed necessary or advisable;

(d) Take all such other measures as may be deemed necessary or advisable for carrying out the provisions of this act;

And, for the purposes aforesaid, may expend such moneys from the consolidated revenue fund as may be required.

Mr. Speaker, those powers thus expressed have been indicated not by accident. They were learned by experience to be essential to meet the situation which prevailed, and which we believed would prevail throughout this dominion in the year 1931 and part of the year in which we are now living.

I wonder if this house will say that any doubt exists as to the desirability of those powers being conferred upon someone? Will they doubt it? Will they question it? Then, why was it that the other morning there waited upon me a delegation headed by the mayor of the city of Quebec, surrounded by representatives of that district, including my hon. friends the ex-Minister of Justice (Mr. Lapointe) and the hon. member for Quebec South (Mr. Power)? Why did they appear? For the reason that they asked that the time he extended within which such works as had been agreed upon between the province and the dominion for the benefit of the city of Quebec might be performed. Those works were carried on under the provisions of this statute—under the provisions of this statute, and not otherwise.

What is true with respect to Quebec city is true also with respect to many parts of Canada. There come representations that owing to seasonal conditions it becomes essential that these works which are partially completed should not be shut down at once, but that the time within which completion may be effected under the contracts made and approvals given under this statute, should be extended. Then, if power is given by this parliament to its executive that this action be taken, not only in the city of Quebec but with respect to other communities, it is desirable that this measure of relief should be afforded. But does any member of this house suggest that a supply bill will meet that situation? Where is he? Does any hon. member in this house suggest that a single amount in a supply bill will take care of that situation? I wonder if those hon. members would explain to this house why it was that the former government brought into this house and enacted legislation based upon a resolution in connection with old age pensions? Does the old age pensions legislation impose any restriction upon the sum of money to be taken out of the treasury to meet the obligations created? It says that there shall be paid out of the consolidated revenue fund one half of all sums that the provinces have to pay. They do not appear in the estimates. There is no statement in the estimates with relation to it. One half of the sum has to be paid out of the consolidated revenue, willy nilly, and the province determines what the extent of the expenditure shall be—not the dominion.

Now, what difference is there between saying that there shall be paid out of the consolidated revenue fund of Canada a sum of money for unemployment relief, for the purpose of giving effect to contracts that have been entered into, and saying that one half of all sums expended by the provinces for the purpose of carrying on the old age insurance business shall be paid out of the consolidated revenue? Here are the words, in section 3 of chapter 156:

The governor in council may make an agreement with the lieutenant-governor in council of any province for the payment to such province quarterly of an amount equal to one-half of the net sum paid out during the preceding quarter by such province for pensions pursuant to a provincial statute authorizing and providing for the payment of such pensions to the persons and under the conditions specified in this act and the regulations made hereunder.

That is now seventy-five per cent. The parliament of Canada, then, has contracted and pledged itself to undertake the payment of three-fourths of old age pensions as pro-

vided and defined by provincial statute. And section 7 provides:

All sums payable to any province in pursuance of any agreement made under this act shall be payable from time to time on the certificate of the Minister of Finance out of any moneys belonging to the consolidated revenue fund of Canada not otherwise unappropriated.

Now what is the difference in principle? There the executive is given power to pay seventy-five per cent of all moneys that may be paid for old age pensions, under provincial statutes out of the consolidated revenue fund, without limitation or question. It is true that there is a provision that $240 is the limit that may be paid to any one person. But the cheque is a blank cheque. And, what is more, when the bridge to the south shore of the St. Lawrence was under discussion in the house there was passed by the former administration a statute, one section of which provided that the governor in council might guarantee the payment of all bonds that might be issued by the proper authority for the purpose of constructing the bridge. There was no limitation there; the cheque was a blank cheque, and it was filled in for a handsome sum—there is no question about that. It was filled in for nineteen and a half millions of dollars; and if you remember the observations made by the right hon. the leader of the opposition (Mr. Mackenzie King) last evening, you will recall that he referred to the supplementary estimates, in which provision was made for payment in connection with the Montreal harbour commission. That represented the deficit which the taxpayers of Canada had to pay on the blank cheque which was taken for the purpose of guaranteeing the undertaking. Small though the transactions may be in some instances, I could increase the number of illustrations indefinitely if I so desired; but I have no desire to do more than establish this: that the principle that a blank cheque should be taken where necessary to enable the executive to discharge great and onerous responsibilities has been accepted by this parliament—not only last session in the unemployment relief act, chapter 58, but in statutes that were enacted by the late administration without reference to the opposition of that day. But it did not end there. The late administration, when it dealt with relief measures, used to take a governor general's warrant before the house met and then disburse the money while the house was still in session, instead of proceeding, as now, through supplementary estimates. There may have been a good reason why that should have been done, but that at any rate is the fact with respect to the matter.

[Mr. Bennett.]

I submit, therefore, sir, if hon. gentlemen desire a frank and fair discussion of the matter, that it is abundantly established by precedents—by precedents that have been created alike by the party that sits to the right of the Speaker and by the party that sits to his left—that wherever essential the executive shall be clothed with that power that is necessary to enable it to effectuate the will of parliament. That is also a cardinal principle of our institutions. It is impossible that government could be carried on where every item had to have reference to parliament—it is unthinkable that such could be done. On the other hand, there always is the possibility of there being abuse of power; and that is what is meant by the Lord Chief Justice of England when he speaks of the new despotism, where he declared that times without number permanent officials had substituted their opinions for the will of the people. But when you have the will of parliament expressed as it was in the Old Age Pensions Act, expressed as it was with respect to the Montreal harbour bridge, expressed as it is with respect to innumerable matters to which I might refer, then there is one way and one way only by which that will can be made effective, and that is through the executive, the governor in council. And as that governor in council or that executive discharges its duties, so is the life of the government. If it fails to measure up to the high standard parliament sets, if it is not honest, fearless and courageous in the discharge of its executive duties under the powers entrusted to it, the government falls. If, on the other hand, in the exercise of the powers thus conferred upon it, it carries out its duties fairly and courageously, and for the benefit of the people affected, then it meets always with the approval of the body politic.

That, I think, is a fair statement of the position. That being so, let me ask this house fairly: What was done under this statute? What was done under this statute appears in the report that has been tabled in this house. We had to remember that the provinces have their pride; they are not wards of this parliament. In the language of Lord Loreburn they are just as supreme within the ambit of their legislative powers as this parliament is within its. They have their pride, they have their duties, they have their legislative responsibilities; and the bounds of their jurisdiction are set by the constitution. Theirs, unfortunately, they say themselves, is the responsibility with respect to unemployment, with respect to relief measures. And it is for that reason that in days gone by we had what we called almshouses, old age homes, and various other institutions that have grown up

under the aegis of the provincial governments for the purpose of giving effect to the constitutional obligations of the provinces, the counties and the municipalities. What did we do? We did the very thing that the opposition would have done had it been in our place—at least I trust and believe so—namely, entered into negotiations with the provinces, because our contact was not with the municipalities, not with the counties, but with the provinces. We could not deal with the creations of the provinces but with the provinces themselves. They make their agreements, determine the measure of their financial obligation and responsibility, and we determine the extent to which we will assist them. These obligations were expressed in writing. Agreements were drawn up. A subcommittee of the cabinet considered them; the cabinet as a whole considered them. In other words, the executive which this parliament has set up for that purpose considered these matters. The agreements were entered into with all the provinces, and I ask hon. members of this house if they do not think in the main they worked out fairly satisfactorily. I tried to say the other day, and I repeat in no spirit of boasting for a party, but for a people, that no people numbering ten millions, inhabiting half a continent, have ever had to face the problems we faced last winter. At one time we had nearly five hundred thousand men, women and children receiving assistance in one form or another, not unemployed but people who had lost their all, people who were holding on to their homes without being able, from the soil about them, to get any sustenance or return. That was not confined entirely to one province, and I pointed out the other day that the people of this country were so proud, shall I say, of the achievements of their fellow citizens that various eastern provinces shipped carloads of goods west to assist those who were more needy than themselves, and in doing so they did great good to themselves as well as to others. Perhaps the greatest good they did was to themselves.

Therefore we ask you to impose this test: Has this act worked fairly well, this part of it? Has it been in the main satisfactory? Has it given you, each one of you, and your people that measure of succour and assistance, through constituted channels, that you wished it would? What say you? I have not yet heard anyone in this house or out of it say aught but that it has been in the main successful. Mark you, I am not one of those who believe we are going to get perfection under such conditions. There have been errors and mistakes of judgment; in one or two instances there have been more than that; there have been cases where individuals have strayed from the narrow pathway and taken advantage of conditions as they should not have done. It has been charged that political considerations in some instances have prevailed. I can readily understand why in some places, where there are political parties in power in the provinces opposed to the party in power in the dominion, there may be constant suspicion and distrust. In the western provinces where we had neither a Liberal nor a Conservative government in power, we had our difficulties. There were the little suspicions and jealousies of United Farmers against a Conservative or a Liberal or some other party man, but in the main, taking human nature as it is and making allowances for it, I submit to this house and to this country that this legislation has worked remarkably well.

That being so, what would be the most natural thing in the world to do? Would it not be to ask the parliament of Canada to renew this measure for a time? Presently I shall indicate until what time and why the time has been fixed in this way. It has been said that nothing was contained in the speech from the throne with respect to this legislation. Of course it was not; why should there be anything of that nature in the speech from the throne? The statute was then in operation. The government determined that it would renew the statute, and for how long? It was not to be renewed until after this parliament had ceased to be in session, but for a period of time during which parliament would still be in session, until the first day of May, now less than six weeks distant. Why was that done? It was done because it is desirable that this whole question should be thoroughly canvassed and that there should be known to this parliament as well as to the people of Canada at large just what it is proposed to do in the future. It was nothing new to me to learn that in the province of Saskatchewan substantial numbers of people had to be taken care of until harvest time; it was no news to me that in other parts of Canada similar conditions obtained and, sir, now that the matter has been adverted to, I might state to this house that in January last I made it my business to endeavour to ascertain just as nearly as a man might what were conditions in various parts of Canada as to the operations of this act, and as to the future. I am bound to be frank with this house when I say that in many of the provinces there was expressed the

view that they had expended sums of money on public undertakings that almost went as far as they could go, and there were municipalities that expressed the same view. It was my proposal, as it still is, that just as soon as these provincial legislatures concluded their labours, I should ask the premiers of all the provinces of Canada to come here that we might confer together for the purpose of ascertaining just what, with the expiration of the operation of this bill, which is to be resurrected or revived, would be essential for the purpose of enabling us to discharge our larger duty in assisting the provinces in the discharge of their constitutional obligations.

Is that fair? Is that a reasonable thing? Is it something which would be in the mind of any Prime Minister as the proper thing to do? It must be remembered that the recital of the measure indicates that, the constitutional obligation being that of the provinces, we are giving them assistance because of the general economic conditions that obtain throughout the world, and we believe we should confer with them as to how the situation may be best met. Notwithstanding all that has been said as to the values of autocracy and dictatorship, I still propose to do this.

Mr. MACKENZIE KING: It should have been done a year ago.

Mr. BENNETT: I may say I counselled with the premiers of the provinces myself a year ago. I went west after this parliament prorogued last session and discussed the situation with the premiers of Manitoba, Saskatchewan and Alberta. I saw representatives of the province of British Columbia. I discussed the matter with a representative of the province of Ontario, and a representative of the government of Quebec came to this city and discussed the matter with the government. The premiers, or the representatives of the premiers, of the maritime provinces also came here and discussed the matter with the government, and everything that has been done has been done by arrangement and agreement with the provinces through their constituted authorities, namely their governments, without regard to their political faiths or the political complexion of their followers.

So, sir, I submit to this house that in asking for a renewal of this statute until the first of May we are following the course which reasonable and prudent men would follow, and unless there is some evidence of abuse or malfeasance, some reason cogent and powerful why authority should not be again vested in the executive, I submit that this parliament should do so. Despite what has been said, the governor in council consists of the cabinet of the country, a committee of this House of Commons, sir, of your fellow citizens and your co-members in this chamber, together with one ex-Prime Minister of Canada who sits in another chamber of parliament. Is it suggested that these gentlemen have no minds of their own? Is anyone so extravagant in the use of language as to assert that these gentlemen are without opinions, or having opinions have not the will to assert them and the ability to express them? Who, knowing the gentlemen who sit beside me, knowing their views upon all public questions, knowing their interest in their own provinces, for a moment will think that they have hesitated to express their views and to make known their opinions? The answer given to our application for a renewal of the power thus entrusted to the executive has been that it is a dictatorship and an autocracy; that it is a one-man government and that these gentlemen about me must not be trusted.

Some hon. MEMBERS: Hear, hear.

Mr. BENNETT: The hon. gentlemen who say "hear, hear" will not discuss these matters with the members of the cabinet and hold any such opinion. I think it will be admitted, even by the most critical, that they are well able to hold their own in any discussion, at least with their opponents. I think it will be admitted, perhaps grudgingly, that man for man they are gentlemen who have opinions and who hold them with a tenacity and conviction equal to the tenacity and conviction with which hon. gentlemen hold theirs. To assume that these men suddenly lose their identity in council and forget their being and become mere recording machines is, of course, not only an insult to the gentlemen themselves but a reflection upon the intelligence of those who assert it.

I have indicated why we ask that we should be given the powers I have suggested, but there is another reason why this statute should be renewed, a reason which has to do with the conditions which at present obtain. There is still hope in the hearts of the people of the west and of the people in other parts of this country. We have faced great difficulties and have had great obstacles to overcome, and yet the courage, the enterprise and the faith of the people appear to be still equal to any demands which may be made upon them. The people of western Canada are facing another season with high hope, they are going out to sow seed upon the soil knowing not whether it will give them a return or whether

it will be as it has been too often in the past. Because of the reasons I have indicated, we have not been able completely to control the situation.

The provinces have insisted upon our providing them with seed grain, with feed and with fuel in the way of coal, gasoline, kerosene or fuel oil for their traction engines. They have indicated their requirements and I believe I freely expressed the will of the Canadian people in July last when I said that we would endeavour to treat this national calamity on a basis at least worthy of what we had done for communities not within our own territorial jurisdiction. We have done that. It was suggested this afternoon that the seed grain has been bought and paid for. The position is that the seed grain has been bought but it has not been paid for.

An hon. MEMBER: Why not?

Mr. BENNETT: Why not? For the simple and obvious reason that we did not want to lose the interest on the money. We provided that delivery should be taken when the requirements of the farmer and the agrarian became apparent. What is more, this seed has been bought at a lower price than would have been expected, having regard to the conditions which obtain in the country.

Arrangements were made in connection with the matter at a time when the resolution was pending before the house. There is a limit to what the provinces can do, in fact there is not an hon. member from the western provinces who does not know that the only way in which the provinces can finance this situation is by loans made from the dominion treasury. We have assisted them up to a point; we have no authority to do more. Until we receive from this parliament the authority contained in the renewal of the statute we have no such power and the provinces will not be able to obtain the grain without paying for it. That is the position.

May I proceed a step further? The suggestion has been made that we should set a limit on what we might require. We have found in practice and by experience that by not having placed a limit upon the measure of last year we saved this country millions of dollars. That is the considered judgment of the best business men in Canada. The bankers and great commercial men had their doubts at first, but they have been free in their expressions of opinion that by reason of this fact we have been able not only to supervise but to insist upon a measure of economy which otherwise would not have prevailed.

The hon. member for Vancouver Centre (Mr. Mackenzie) referred to certain matters in connection with the administration of this relief act in one of the provinces. If he has any complaint at all to make, it is that we have not agreed to a reckless and extravagant expenditure of public money. In order to correct a misapprehension, may I say here that the hon. gentleman and one or two others have suggested that a commission should be appointed in each province to deal with these matters. I tried to make it clear the other day that this parliament has no power to create a commission to function in provincial matters within a province—that is the business of the province and the business of no one else. As long as the province have their pride and their jurisdiction they cannot be made wards of this dominion. A commission was set up in Saskatchewan, but it was set up by the provincial administration. It is true that we exercised supervisory control, and even more than that, we put in an accountant for the purpose of checking and rendering assistance to see that the greatest economy possible was practised in this time of stress.

One step further. Does or does not an emergency exist in this country? A year ago this house said it did; in August last it said it did, and in the speeches of the right hon. the leader of the opposition and other hon. members it has been said that such a condition does exist. If that be so, have we not the right to ask that in view of these extraordinary conditions the powers which we have safely and decently exercised during the last few months should be continued for the next six weeks? Is that fair? It has been suggested that there is some ulterior motive behind the desire that this statute be revived. I say here on behalf of the government that I know of nothing in connection with this statute that is contemplated or that is not known to this house at the moment. I know of nothing, but I do not know what might happen in twenty-four hours, as I shall indicate presently. There is no desire, there is no knowledge of any projected so-called legislation, about which I shall presently speak, or of any orders in council; there is nothing but a sincere and earnest desire on the part of a committee of this house, supported by a majority of this house in a constitutional fashion under the institutions created and built up, to see to it that their fellow Canadians are made as comfortable as possible under the conditions which prevail.

May I remind this house that we expressed some months ago the hope that no man,

woman or child should be hungry during the past winter and that there should be no occasion for the civil disturbances which have been apparent in other countries. It is a matter of some pride and satisfaction to think that, in the main, has been accomplished.

Let me proceed to the second branch of the case. We have, it is said, asked for power, while parliament is in session, to pass orders in council for the peace, order and good government of Canada. The ex-Minister of Justice (Mr. Lapointe) thought it was under that provision we dealt with the problems connected with the grain trade and the sale of wheat. If he will look at the statute to which I have just referred, he will find that one of the specific subdivisions of section 3 was to enable this dominion to guarantee repayment of moneys, and in furtherance of the powers thus specifically conferred and in pursuance of the understanding if the grain was not sold, the order in council to which he has referred was passed. But we did decline, as the house is aware, to guarantee a fixed price for grain. If there are fair-minded men who are not unwilling to bear tribute to at least the business acumen of their fellows, I think, having regard to the experience of the United States Farm Board, they will conclude that we were at any rate sound business men. That, I think, can be said with safety.

Now we come to the second branch of the case. I have heard appeals made to high heaven to save the shattering constitution from destruction. I have heard for twenty minutes a peroration from an hon. member who appealed to all the history of the past and the hope of the future to save Canada from destruction at the hands of this government. I have heard hon. members say that never, never, never had such a thing been done before. What would happen, we were asked in frenzied tones, if such an effort were made in Great Britain? What would the mother country say if any such effort as this were made?

Some hon. MEMBERS: Oh, oh!

Mr. BENNETT: I am glad hon. gentlemen opposite, not having heard themselves, now understand how it sounds. Perhaps the hon. member for Vancouver Centre, recalling the words of his countryman, will say:

> O wad some power the giftie gie us
> To see oursels as ithers see us.

With apologies to the hon. member for South Huron (Mr. McMillan). If the house will be good enough to turn to chapter 48 of the statutes of Great Britain, an act passed on September 30, 1931, they will find that the mother of parliaments not only gave power to the executive to deal with problems to which I shall presently refer, but gave it to them on the distinct understanding that it must be exercised in thirty days while parliament was still in session. Listen to these words:

> An act to authorize the making of orders in council for the purpose of effecting economies in expenditure falling to be defrayed out of public moneys and improvements in the arrangements for meeting such expenditure.
>
> (30th September, 1931.)
>
> Be it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present parliament assembled, and by the authority of the same, as follows:—
>
> 1. (1) During the period of one month after the commencement of this act, His Majesty may, in respect of the services specified in the schedule to this act and in respect of the remuneration (otherwise than by way of pension assessed before the commencement of this act) of persons in His Majesty's service, make such orders in council as appear to him to be expedient for the purposes of effecting economies in the expenditure falling to be defrayed out of the consolidated fund, out of moneys provided by parliament, or out of any fund established by the enactments relating to any of the said services, and of effecting improvements in the arrangements for meeting such expenditure; and, in particular, without prejudice to the generality of the said power, any such order may make provision—
>
> (a) for altering the respective proportions in which expenditure in respect of any such service is to be defrayed out of any fund so established as aforesaid and out of moneys provided by parliament and for making transfers and adjustments between any such funds or between any such fund and any other statutory fund;
>
> (b) for imposing duties on local authorities in connection with the administration of any such service;
>
> (c) for increasing the contributions to be made to the unemployment fund, and for securing that, as from the date on which the treasury cease to have power to make advances for the purpose of meeting deficiencies in that fund, any such deficiency shall be met out of such moneys as may be provided by parliament for that purpose;
>
> (d) —

And I ask my hon. friends who, in their frenzied appeal, talked of this legislation in the terms in which they did, to listen to these words.

> (d) for the modification or termination of statutory or contractual rights, obligations and restrictions subsisting at the date when the provisions of the order take effect.

That, it is true, was a national government. That, it is true, was a government in Great Britain. The act continues:

(2) The minister designated in any order in council made under this section, may make regulations for giving effect to the provisions of that order in respect of such matters as may be specified therein.

(3) Any order in council or regulations made under this section shall, as from such date not earlier than the first day of October nineteen hundred and thirty-one as may be specified in the order or regulations, have effect notwithstanding anything in any enactment.

2. This act may be cited as the National Economy Act, 1931.

There is a statute passed by the mother of parliaments, a statute that enabled the executive, while parliament was in session, to set at naught contracts and to deal with matters notwithstanding any enactments, to impose new duties, fresh obligations, to vary the sums of money and contributions to be made by various people, and in furtherance of that power, they did those things. The reason given was that there was an emergency. The reason given here is that there is an emergency. I do not give the reason: it has been given by members who have spoken in the house. Then I ask: In the face of that legislation because of the emergency, imposing upon the executive while the house was in session the obligations which I have indicated; in the face of the fact that there has been no abuse of the powers conferred upon this executive during the past months, why should there be hesitancy in granting those powers for the next six weeks? But in England, where they have had longer experience than we, it might be well to remember that a debate on a resolution such as this is forbidden; the rules do not permit it. There is no such debate; the resolution is not debatable. The British act was passed on September 30, 1931, and the ministry was charged with responsibility with respect to named subjects and here they are:

Education.
National Health Insurance.
Police.
Unemployment Insurance and Roads.

These being the services with respect to which orders in council might be made under the act. When that bill was passed, the resolution upon which it was predicated was not debatable. The House of Commons acted promptly; the measure was made effective speedily and all those cuts in salaries about which talk has been had in England, including unemployment insurance, teachers' salaries, police, work upon roads was done by the executive, under power given to them, while the house was in session, and they were to exercise it while the house was in session. I feel this: when an old country such as that with a population of 40,000,000, where liberty and regard for liberty are valued as they are takes such measures as these, it might well be said that in this new country we could surely afford in time of emergency to follow their example. But we have there the conception that Mr. MacDonald has indicated of what the duties of an opposition are, and that to oppose for opposition purposes only is a crime against the state.

Now let us proceed a step further. What did we do under the provisions respecting peace, order and good government? I have not time this afternoon to review the difficulties which the government has had to experience during the last six months. All I can say is this, that no man in this house need envy the position of any cabinet minister under present conditions, and I think none does. At least, I think some are grateful that they have not responsibility. But leaving that, may I say this? We were confronted with this one problem for example—and I will put it to the house promptly—the export of gold. I am not going to go over the whole ground again, but have the members of this house realized that unless by adequate and appropriate legislation we could deal with that situation, the gold reserves of this country would have fallen to ten million dollars, and then probably to nothing? Let me give an illustration. A group—perhaps I should hardly say a group; I will say men—in Seattle and in New York, I will take only those two points, conceived the happy idea of gathering up large quantities of Canadian bills selling at a discount, or they come in here with American funds and buy our Canadian bills at a discount, so far as they are concerned. They then go to the Receiver General's office and ask for legal tender, which means the promise to pay of the Dominion of Canada, and under the law the Receiver General had to pay them, or else we default; one or the other. As a matter of fact, when they are presented at the Receiver General's office, under the law they have to be paid in gold, or we default. In one instance fifty thousand dollars was presented by a gentleman, and the department had no option. That was the very start of things. The gold had to be found. Hon. gentlemen probably saw the figures as to gold running down. A few days later this gentleman tried a million dollars. Fortunately the long distance telephone made it possible for people who had some influence with him to stop him. Then I was confronted, for I was then at the Finance department, with this problem: How can I stop this? The law said that when our metallic coverage dropped

below a certain point I had to go into the open market in this country or outside, anywhere I could obtain it at any price, and buy gold in order to keep up our reserves. That was my obligation as Minister of Finance. The provisions of the Finance Act provide for making a proclamation, in the case of an insurrection or war. But as a matter of fact, all we had to do was to frame our order in council prohibiting exportation under the provisions respecting peace, order and good government. Then, as the gold could not be exported, there was no point in cashing the bills and having gold that you could not do anything with except redeposit it, and the situation became normal.

There were other matters connected with the marketing of the 1931 crop of grain in this country which had to be dealt with. There were other matters, and we dealt with them. There were matters connected with the insurance companies and with the banks. The hon. member for Sherbrooke (Mr. Howard) was very wrong yesterday in saying that we fixed the price of securities. That is not what was done. What was done was this: We said that for the purposes of the balance sheets the banks and insurance companies might value their securities at certain figures which were specified. That was a proper exercise of power, was it not?

Some hon. MEMBERS: No.

Mr. BENNETT: Was it not a proper exercise of power to say to the banks which had bought the securities of this dominion that for the purposes of their balance sheets they could value those securities at the price at which they bought them?

Mr. HOWARD: I think in fairness to me the Prime Minister should state that I did not criticize that.

Mr. BENNETT: I do not know that that has anything to do with my argument, but I thank the hon. gentleman for agreeing so heartily with me and I trust that he will vote accordingly. That was an exercise of the power that was conferred upon us. I said the other day, and I repeat, that I was very reluctant to ask this house to renew that power while the house was in session. I was reluctant, but, sir, my colleagues and myself discussed this matter very thoroughly and very often. Does any gentleman in this house think for a single moment that those who sit with me as the council of His Excellency the Governor General get any satisfaction out of the carrying of an added weight of responsibility? I wonder if they think there is any joy in standing up to be the target for abuse by any person who desires to throw abuse because one is trying to serve one's country. I wonder if they think that my colleagues and myself who labour, not eight hours a day or sitxeen hours a day or eighteen hours a day, but often twenty hours a day during the last six months, find any satisfaction in that except it be that it will be of some benefit and value to the country.

I have listened with the utmost amazement to some of the statements that have been made in this house as to why we should not be entrusted with this power. An hon. gentleman yesterday resumed his seat after I had heard him state that we should not be entrusted with this power because we had increased the mounted police. We did. We made a bargain with certain provinces by which we assumed responsibility for the policing of those provinces, and for which we are being paid. We increased the number of the police, and increased it for other reasons as well—the peace, order and good government of Canada—that there should be no possible chance of the breaking up of those institutions which this country has regarded so highly.

The hon. gentleman went on to say that we provided machine guns. Not a single machine gun is owned by the mounted police. The hon. gentleman said that we had bombs provided for the mounted police. So there were. They were tear bombs to escape the possible charge, if there be a riot or insurrection or difficulties, that the most humane methods were not used for the purpose of quelling it. The constables of Canada, having met, recommended that in such cases tear bombs would be highly desirable, and we supplied our police with numbers of them. Those are the bombs we had.

The hon. gentleman went on to say that we spent $20,000 on a secret service, going around listening to Liberal members to ascertain what their statements would be. All I can say is that the hon. gentleman had great suspicion of himself or else a very poor regard of his fellows if he thought that their utterances would be worthy of suspicion. Let us go a step further. That was put in an order in council for the purpose of taking care of a situation that developed in British Columbia in connection with the Doukhobors who had declined to make returns to the census enumerators, as no doubt most hon. gentlemen read in the press. Not a single cent of that money has been expended. That is the secret service to which the hon. gentleman referred.

There was a further charge that we were not entitled to confidence because of what had transpired about these buildings on a given day when it was said that a hunger strike was to march upon this capital. Well, Mr. Speaker, it does afford me some satisfaction to say to this chamber, and especially to the member who made that statement as to why confidence should not be reposed in us, that we did receive large numbers of communications from various parts of Canada indicating that on a given date there was to be a march upon this capital. In addition to that they were to take possession of this chamber and there promulgate demands against this parliament and the Canadian people, the hour for their visit being fixed at three o'clock. I mentioned the matter to my colleague the Minister of Justice (Mr. Guthrie), in whose department control of the mounted police lies, and he, without in any way indicating what steps should be taken, communicated to the commissioner of police the information that if the evidence was to be relied upon a very large number of people would come here. So, without knowing how many might come, the commissioner of police placed fifty policemen about these buildings,—fifty. Twenty were in their usual uniforms with revolvers at their sides; thirty were mounted, without rifles and with wooden batons so that in the event of difficulties the crowd could be pushed aside without hurt, as has been demonstrated so often in cities like London, and elsewhere, where mounted police have been so usefully employed. There was no armoured car. No tanks are owned by the mounted police of the government. The only armoured car was the one belonging to the Department of Finance which conveys securities from the express office to the parliament buildings.

Now, I put it to this house and to this country as to whether or not we do not owe at least that duty to every man, woman and child in Canada. Who would do less than to take adequate precautions for the purpose of preventing a mad charge upon this chamber, at three o'clock for the purpose of enabling people to express their opinions?

An hon. MEMBER: Oh, oh.

Mr. BENNETT: That was what was said; that was what was to happen. It may well be that the hon. gentleman, who laughs so loudly and who later attended in a delegation which appeared before me, thinks there is no likelihood of it. I myself shared the view that it was not likely such action would be taken. But he who is in a public position and discharging a public trust is recreant to his duty and guilty of malfeasance if he does not take every precaution a prudent man would take to safeguard the interests of the people. I believe that the intelligent judgment of the Canadian people will support such steps being taken.

One other incident was mentioned as to why we are not worthy of further confidence, that to have the police about these buildings was a very un-British act, and that such things would not happen in England. I wonder if any hon. member happened to be in Great Britain during the time of the suffragette movement? I wonder if any hon. members attended Westminster in those days I wonder if they noticed how many fifties there were—not ones and twos—looking after the situation?

Mr. BEAUBIEN: Suffragettes or policemen?

Mr. BENNETT: Policemen. I wonder if they realize that? I merely mention the suffragettes because it goes to indicate how easily misconceptions and misunderstandings may arise.

There is one other matter to which, in all fairness, I think I should refer, because during the progress of this debate it has been mentioned more than once. The suggestion has been made that we are unworthy of support because on a given date an hon. member was voted down without having an opportunity to introduce a bill. Sir, I am delighted to make to this house an explanation of that incident. On the Friday preceding that Monday the Supreme Court of Ontario by a unanimous judgment decided that the evidence given at the trial of certain communists with respect to their having illegal and unlawful assemblies indicated that according to their evidence they were under the direction of Moscow, that moneys were being made available for purposes of their propaganda, and that they themselves had preached the doctrine of force. The chief justice of that court, speaking for all his brother judges, delivered a judgment which I trust every hon. member in this house has read, in which he reviewed the evidence and sustained the convictions and sentences. That took place on a Friday. On the succeeding Saturday telegrams began to reach me, and by Monday the numbers of telegrams had greatly increased. Two things were demanded: First, the repeal of section 98, that section under which the convictions were made, and secondly, the release of the prisoners who had been taken to serve their terms of imprisonment.

I have in my hand a very considerable number of these messages. They seem to be inspired from a common source, because the expressions in all were practically the same. Here is one from Kirkland Lake:

This organization demands federal government receive delegation. Stop. Meet demands repeal section ninety-eight criminal code Canada. Jugoslav Branch Canadian Labour Defence League.

M. Klubrcher,
Secretary.

Here is another:

This organization demands federal government receive delegation. Stop. Meet demands repeal section ninety-eight criminal code Canada.

C.L.D.L., P. Repuska,
Chairman.

Then, here is one from Hamilton:

Repeal section 98 release the working class prisoners.

Czechoslovak Branch of C.L.D.L.

I shall not take time to read more of them. I brought with me only a small number in case any question should arise, because I felt I should make the explanation I have made concerning the telegrams which bore in upon the government demanding the repeal of section 98. In case of such a repeal the release of the prisoners must follow, because if a section were repealed to-day men who had been convicted under it yesterday could not very well be kept long in prison. I believed then, as I believe to-day, that it was not in the public interest that we should enter into any discussion with respect to the matter.

It may be charged—it was charged—that this is the act of a dictator or an autocrat. But, sir, I ask any hon. member of this house charged with the responsibility of office, receiving demands such as this, whether he would be promoting the interests of this country, the peace, order and good government of Canada and the Canadian people, if he were in any sense to show other than the firmest front to any demands made in the terms and under the circumstances these were made. I mention that matter because it has been given as one of the reasons this government should not be entitled to support or should not be further entrusted with power. I say and I desire to repeat that nothing but a sense of the gravest responsibility on the part of this government is responsible for the suggestion that the words "peace, order and good government" should be maintained.

I am going to put this to the house: The right hon. leader of the opposition has said that when parliament is in session all we have to do is to pass a measure. How long have we been endeavouring to pass a resolution? How long? Hon. members say, "Oh, but you may count upon consent being given." Remember this: One member of this house can prevent the rules being set aside. And one member thus being able to prevent the rules of this house being set aside, I ask any hon. member here whether he does not believe that occasions have arisen and may arise when you cannot wait six days nor five for the purpose of taking the steps that may be necessary.

I do not believe that under the provisions with respect to peace, order and good government it will be necessary between now and the first day of May to enact any orders in council. I do not believe it will. My colleague, the Minister of Finance (Mr. Rhodes) says—routine, the continuance of existing orders in council where that may be necessary. I meant in the way of fresh orders in council, apart from routine in connection with the business of the country. Sir, during the war they were legislating in the east block every day while parliament was in session, and the War Measures Act was maintained in force several years after the end of the war. The Defence of the Realm Act in England, known as Dora, was kept in force in England for years after the end of the conflict, and the other day I looked into the last volume, a volume twice as large as the one I hold in my hand, containing orders in council of all sorts dealing with almost every phase of the life and activities of the country—its political life, its civil life, its social institutions.

Now I go a step further. I would not ask this power from any parliament except reluctantly, and I so stated when I introduced the resolution the other day. But, sir, after discussions between my colleagues and myself, and taking into consideration the views expressed to us by others who look at the matter dispassionately and from the outside, dare we as a government, charged with the tremendous responsibility in this emergency of caring for this dominion to the best of our ability, be without that power? We have said, no. We do not believe that this power will be called into play; nay, more, we sincerely and fervently hope that it will not be. But, sir, what is a man without a weapon in the midst of armed force? What is a man who has no instrument for his protection in the midst of the strife of brigands? Without this power we should be without a weapon that could be used except through a bill in parliament; and with the strange views that obtain in these days there is no assurance that the

mind of the government would be sufficiently strong to secure consent for any measure it might introduce. And from what we know and have seen, we should certainly be opposed with respect to consent. Then the matter would go its weary way, for there is another chamber to be considered before legislation is enacted; and in the meantime the injury may be done.

Mr. MACKENZIE (Vancouver): What?

Mr. BENNETT: Almost anything. What about the gold standard? Could anyone have foreseen that Great Britain was going off the gold standard?

Mr. MACKENZIE (Vancouver): Yes.

Some hon. MEMBERS: Oh, oh.

Mr. BENNETT: Well, all I can say is, I hope that the hon. gentleman used his prescience to good advantage. But if he was as wise as he now suggests I can only say that he was one of very few on the American continent who foresaw what would happen. I will give him firsthand information on that point. One at least of our great institutions sought information on that point only a short time before and the answer was that there was not the slightest likelihood of any such event occurring; and after the loan was made from the United States and France it would indeed have been a wizard who could have foreseen it. I recall meeting the president of one of the American financial institutions who happened to be in Berlin on the Sunday following the day on which the bank of England had gone off the gold standard. It was not then public; the announcement had not been made. A director of the Reichsbank told him that it was so and he telephoned through to Newport in America, and that was the first information which his partner in America had that such an event had taken place. We heard it late on Sunday night; when the message was decoded it was well on in the evening. If the hon. member for Vancouver Centre (Mr. Mackenzie) foresaw it, he might at least have done me the honour of telegraphing me.

Mr. MACKENZIE (Vancouver): If the right hon. gentleman had read Einzig's "The Fight for Financial Supremacy" and "Behind the Scenes in International Finance" he would have foreseen that some of the leading European economists predicted this very thing.

Mr. BENNETT: I cannot see what relation the Einstein theory has to the gold standard.

Mr. MACKENZIE (Vancouver): Not Einstein, Einzig.

Mr. BENNETT: I only mention this as one illustration of the necessity for action being taken promptly. Could we have called parliament together with gold depleted and reserves gone?

Mr. EULER: Was it not possible under the Finance Act to prohibit the exportation of gold?

Mr. BENNETT: No, not unless you declared a position that no one, having regard to the credit of the country, cared to take, and which bankers felt would be exceedingly disastrous to the country—insurrection, war or other conditions which the hon. gentleman will see if he takes the trouble to look up the act. That was the real difficulty. I put to the house, therefore, the question whether it is unfair or unreasonable to ask for such powers between now and the first of May. I may say to the house what my intention is. I have discussed it with my colleagues and I see no harm in intimating that, instead of asking for the right to pass orders in council with respect to peace, order and good government after the first of May, we shall specify the statute with respect to which we believe it may be essential in a time of crisis to enact reasonable regulations or orders in council.

Mr. LAPOINTE: A slight improvement.

Mr. BENNETT: It will be a very great improvement. As I have said in this house repeatedly, you cannot deal with emergent conditions on the basis on which you deal with everyday conditions. The only difference between us is that hon. gentlemen opposite, while with one breath they say that an emergency exists, with the next state that you must be governed by non-emergent regulations. While on the one hand they say that the conditions of a crisis exist, on the other hand they say that it is nothing but ordinary, humdrum political warfare. That is not our position; and with a full consciousness of exactly what is involved in the observations I have made, my colleagues and I are firmly convinced, although we hope and believe that there will be no occasion to use the power asked for, that we dare not go forward during the next six weeks without having such power conferred upon us. And it is not for self-advantage; it is not for personal aggrandizement; it is not for the purpose of advancing our political fortunes; and it certainly is not for the purpose of giving us any greater com-

fort and ease. If we do it, we do it for the reason that they did it in England with parliament in session. If we do it, we do it for the public weal. If we do it, we do it in order that the integrity of the country may be maintained in the greatest national crisis it has ever known.

Last night the right hon. leader of the opposition (Mr. Mackenzie King) having realized the seriousness of the position in which he had placed his party, made up his mind that the proper thing to do was to escape, if possible, by saying "If you will do what I want you to do, all will be well." If hon. members will look at his observations they will find that he said, "If hon. gentlemen will do so and so, mention $10,000,000, $50,000,000, $100,000,000, or $200,000,000, the bill will be passed. If they will yield their viewpoint to ours, although it is true we are only a minority, all will be well. Let us be the dictators; let us be the autocrats; let us say what shall be done. Give up government; subordinate your views to ours; abrogate the functions of parliament and we will govern." The people of Canada thought differently in 1930, and so far as their will has been recorded since, apparently they still think differently.

I observed that the right hon. leader of the opposition spent a great deal of time showing how great was his anxiety that this bill should pass; in fact his anxiety was so great that at one time I thought that in his heroic struggle to enact it he would exhaust himself, so great was his anxiety for the public weal, so great and desperate his efforts on behalf of Canada, the unemployed and the seedless farmers in the west. But when we analyse it all it resolves itself into this: First, that there has been delay. I should like to make clear just what were the circumstances. When we came into this house on February 4, we contemplated, of course, the necessity of asking for an extension of time in connection with this bill, and we assumed that it would pass as a matter of course, from the fact that it had worked out fairly satisfactorily, and that no complaints of any serious character had been made. It was a great surprise to me when I found the right hon. leader of the opposition expressing himself in the terms he used. But I could not go forward for this reason: We put upon the order paper on February 23 a notice that we would ask for the extension of this bill until May 1, just as it stood. But in fairness I realized that hon. gentlemen opposite were entitled to information as to the administration of the act. For instance, on March 1 I find that the ex-Minister of Justice (Mr. Lapointe) asked when he might expect the return of the orders in council passed by the government. To use his own words, the hon. gentleman stated:

> May I ask the Prime Minister, before the resolution is proceeded with which he has placed on the order paper for the purpose of extending that statute from March 1 to May 1, that there be brought down all the orders which have been passed thereunder since last year, so that we can discuss his resolution intelligently.

In reply I said:

> It is intended to lay upon the table of the house all orders passed under the authority of the statute to which the hon. gentleman refers. They comprise a considerably large number of orders in council, and the report which the Minister of Labour proposes to table will cover them all.

It will be seen at once by the house that it was difficult to give that information at the end of the month, because undertakings were proceeding, and it was necessary that action should be taken from time to time in connection with the payment of accounts due provinces and in connection with the undertakings we were carrying on. We had the galley proofs of that report for weeks, but that report had to be brought up to date in order to make it complete. It will be recalled that on the very day that I rose in my place and moved that the Speaker leave the chair in order that the house might consider the resolution, the Minister of Labour laid that report upon the table. I apologized to the house at that time because a greater opportunity was not given for consideration of that report before the motion for consideration of the resolution was made; I meant that, because I believed it desirable that hon. gentlemen should have an opportunity to see from the report just what we had done.

That was the real reason for the delay. Had I thought there was any likelihood of difficulty arising on that score I could have easily given that explanation. It is true that Senator Robertson's illness contributed to that delay, for reasons which I think every hon. member of this house will realize. Many of the agreements had been made by Senator Robertson and he desired certain information contained in the report of Mr. Hereford to be communicated to him. But, sir, when the time elapsed and, in the language of the right hon. leader of the opposition, the bill became a dead thing, it was not necessary or essential as a matter of law to have a further submission of the resolution to the committee, for the reason that the resolution as originally submitted was for the extension of the bill for two months, and the

revival of the bill by appropriate legislation accomplishes the same purpose. There is no departure from principle. The same principle is maintained, namely the extension of the bill for two months, now only six weeks.

But let me go a step further. It was suggested last night that we were making illegal payments. May I point out that some difficulty has arisen as to the construction to be placed on the original measure, chapter 58, and no bills are being paid. I think the suggestion made by the Minister of Trade and Commerce (Mr. Stevens) in connection with the Auditor General has been misunderstood; it should not have been given the meaning which was attached to it by the right hon. leader of the oposition, but just the opposite. There is a doubt, and rather than endeavour to force our views upon any official of the government, no accounts have been paid, and no orders in council have been passed. There was one order in council passed on March 2, with respect to which it was thought there was clear authority, but some question has been raised about that. So we have Manitoba, Alberta, Saskatchewan, Ontario, Quebec and the maritime provinces all looking for money under this bill.

A supply bill would not meet that situation, because these grants are not grants in supply; the measures never begin: "Most gracious sovereign." These are grants in aid, made upon terms and conditions and agreements, just as a few weeks ago we passed a statute in this house whereby we made a grant of $100,000 to the city of Ottawa. It was not in a supply bill; it was surrounded with terms and conditions upon the fulfilment of which the right to the money depended, and so in these measures providing for these payments there are terms and conditions and contractual obligations all of which are mentioned in the agreements and the discharge of which is essential for the purpose of creating the obligations thereby established. There is no analogy between a supply bill and this measure. To say, "I will give you a supply bill," would be like saying, "You ask for bread and I give you a stone." Indeed, it would be like saying, "If you do this, I will do that." A supply bill does not meet the situation; it does not meet the terms, the conditions and the obligations, contractual and otherwise, that surround the agreements that are the basis of the general administration of the act. It is for that reason that we are unable to avail ourselves of any suggestion such as that made from the other side last evening; it is for that reason that the Old Age Pensions Act is in the terms in which it appears; it is for that reason that the grant to the city of Ottawa is in the terms in which it appears; it is for that reason that the grant to the battlefields commission is in similar terms. These could not be covered by supply bills; these are no part of the annual charges upon the revenues of the country; these are no part of the grant which is made to the sovereign in a supply bill, which begins, "Most gracious sovereign." These are parts of grants in aid, which are based upon the observance of conditions and contractual obligations.

That, sir, is the reason why any talk of a supply bill is nothing more nor less than a mere effort to disguise what is the real issue. The real issue is a simple one: Shall the Canadian parliament, through a government supported by a majority in this house, be permitted to reenact, by proper words, the legislation of last session for the purpose of affording relief to the unemployed, and seed grain, food and fodder to those who require it so urgently in the province of Saskatchewan?

I will not trespass upon the time of this house to review, as I had intended, the various statements made in connection with this legislation beyond restating, first, the point which was taken as to the delay and, second, the question as to its constitutional character. Viewed in the light of the legislation enacted by the parliament at Westminster, and in all these cases, the great difficulty is that the opposition fails to realize that these are not normal times. This is not the time for playing high politics, or low politics, and we are in the judgment of the people as to which it is. I will not say more.

However, there is one statement to which I think in all fairness I should allude, and that was the statement with respect to the introduction of a bill and the suggestion that that matter had been settled between His Honour the Speaker and myself. I had no more knowledge that that was on the order paper than has an unborn child. I saw it there and the observation was made, whether by the Clerk or the Speaker, I do not remember, that it should not be there and that was all I knew about it. No one knows better than the right hon. the leader of the opposition that if it were properly on the order paper it could not be removed except by a motion to remove it. No motion was made, and it follows therefore that it was nothing but an inadvertent accident that it found its place upon the order paper. It disappeared without my having any communication, directly or indirectly, with the Speaker

or the Speaker with me. I assume it was a mistake in connection with what had taken place the preceding day.

With respect to the delay and the necessity for it, and the fact that the discussion on the resolution had reached a day past the first day of March, I will not say more than that that necessitated only a very simple thing; it necessitated the use of the appropriate words to enable the principle of the legislation to be made effective. In the first instance, all that had to be done was to say that notwithstanding a certain fact the statute shall be taken to have continued to be in force until the first day of May. In the second instance, all that had to be done was to substitute for the word "March" the word "May." There can be nothing in the point suggested as to the necessity for a second submission to His Excellency the Governor General because the rule is that this is unnecessary as long as there is no departure from the principle. During the brief moments at my disposal since the chamber rose last evening, I took the trouble to satisfy myself upon this point.

There is one thing to which I desire to refer, and that is that the discussion on the part of many hon. members has centered about the Prime Minister. I noticed last evening that the right hon. the leader of the opposition associated himself with those attacks in these words:

> And I say, if for no other reason than, as shown here the other evening in the most conclusive language, because of the stand which he himself has taken in dealing with the House of Commons in many matters, this house will never surrender to him rights which have been won for the people through their representatives.

In associating himself with the personal character of the attacks made upon the leader of the government, the right hon. gentleman has substituted abuse for argument. I desire to say to this chamber that I am perfectly content, I have no protest to make or complaint to urge. It is wholly within the rights of hon. gentlemen who have contributed so greatly to this debate and to the elucidation of the difficult problems with which we have had to deal in this time of crisis to substitute abuse for argument, but I had some little doubt as to whether or not one who so prided himself upon his love of tradition and his regard for the high amenities of debate and the principles of British institutions would associate himself with the virulence of the attack made the other evening. However, the right hon. gentleman has seen fit to do this, both publicly and in this house, and I am glad to know that the attack which seemed to be the personal animadversion of one member was the considered attack of a party.

The motion made yesterday by the Minister of Agriculture (Mr. Weir) that this question be now put was made in anticipation of any amendment which might be made by hon. gentlemen opposite. We had been advised that they contemplated making an amendment at the appropriate moment, and in order that the matter might come to an end, the previous question, which involved an opportunity for further speaking on the part of those who had spoken, was moved. This was moved for two purposes; first, that there would be no further amendments and, second, that an opportunity might be afforded to the Canadian people to ascertain whether the discussion was of the kind that really should be looked for, or indicated merely an effort to prevent the will of the people being made effective through their representatives in this parliament. There need not be much doubt, in view of what transpired yesterday, as to the controlling factor in the minds of those who sit opposite. However, we are content.

The procedure of this house provides a method whereby the will of the majority can be made effective against the autocratic dictation of a minority, and of that we have given notice. We propose to pass this legislation with the aid of the rules provided, in order that those who are entitled to its benefits shall receive them, and for the reasons which I have given, that facing the next six weeks of trouble and difficulty in a great crisis, the time has come when there is necessity for a clear power being vested in the executive to meet a situation which we hope will not arise but which may arise. We will go forward to our task undeterred by the abuse of our opponents or by the efforts on their part to substitute the will of a minority in government for that of the majority. By constitutional practices and privileges this government will be bound, and having a clear mandate from the Canadian people and a clear majority, not being required to be either cajoled or coaxed, we will discharge our duties to the best of our ability as earnest men who are entrusted with power from the Canadian people.

Hon. J. L. RALSTON (Shelburne-Yarmouth): Mr. Speaker, after the references we have had to Lord Loreburn and Lord Hewart, after the self-pity which has been manifested by the leader of the government (Mr. Bennett) both for himself and for his colleagues and after the renewed pledge to go forward or perish in the attempt, let us go back to the question before this house. Let us examine

whether the Prime Minister has given any valid reason why the government should, as the price of doing its duty by the unemployed in this country extort from parliament a measure to disfranchise the electors and to take away their right to regulate taxation and to say for what purposes expenditures shall be made.

My right hon. friend has strayed a long distance from the question and, as usual, has been most informative in connection with matters of fact and of administration. He has lowered his voice and appeared to take us into his confidence in regard to certain matters; but after all, when somebody reads his speech or has listened to it, will he not turn from his Hansard or from having heard it and say: For just what reason does the government want to insist on resurrecting the monstrosity of a year ago?

I am going to deal with a few of the alleged reasons that my right hon. friend has given, but one will search in vain the pages of Hansard to find a real and valid reason for my right hon. friend insisting on the legislation which he forecast in the resolution that was put on the order paper some time ago.

There is one reference he made to what my right hon. leader (Mr. Mackenzie King) said last night. The Prime Minister intimated that this could not be done by way of supply. He knows as much about parliamentary institutions as possibly does anyone in the house, and I say to him—and I do not think he will contradict me—that he could bring down a supply bill to-day providing an amount in the terms of this measure for the purpose of relieving unemployment and that on the offer which the leader of the opposition made last night, it could be passed in half an hour and become law. Everything which has been done with regard to which he says the western provinces have been so complimentary, could be done under such a bill. After all, what does my right hon. friend really mean when he says that the Unemployment and Farm Relief Act has been reasonably well administered? He is no more proud than we are of the fact that he used that act for the purpose of valuing the securities of insurance companies. He is not a bit more proud than we are of the fact that he stepped outside of the Finance Act and under the Unemployment and Farm Relief Act prohibited the export of gold. I do not think he takes much pleasure in having invoked the Unemployment and Farm Relief Act for the purpose of adding to the strength of the Royal Canadian Mounted Police. Those were, he says, extraordinary measures. We have had mixed up with Lord Hewart and the suffragettes the idea that "The bogeyman will get you if you don't watch out." There is an emergency abroad in the country he says, war and insurrection and invasion and that is the sort of thing for which legislation of this kind is invoked.

Before I forget it my right hon. friend time and again referred to a statute which was passed at Westminster in September, 1931. In it, as he claims, he finds the precedent for what he proposes this parliament shall do. Let us look at the statute which he read a few minutes ago and consider the real effect of the legislation which we are proposing to pass here. This proposed legislation is to provide in effect that the government shall have all the powers of the dominion parliament to legislate in respect of peace, order and good government even although parliament is sitting. It will have an unlimited right to draw upon the public funds for all purposes within the ambit of those very broad and general terms. What is the British act to which my right hon. friend has referred and which he says is his authority and a great precedent from the mother of parliaments? It is an act for the purpose of effecting economies in expenditure and it provides that:

> During the period of one month after the commencement of this act—

I shall skip a portion of it because my right hon. friend read the whole of the first section.

> —for the purposes of effecting economies—

Watch this:

> —in the expenditure falling to be defrayed out of the consolidated fund, out of moneys provided by parliament, or out of any fund established by the enactments relating to any of the said services, and of effecting improvements in the arrangements for meeting such expenditure.

The money must first be provided by parliament or out of some fund established by statute. Not a dollar is to be paid out under that statute, it is only providing for an administrative rearrangement of the expenditure in connection with the five departments which are named:

> Education.
> National Health Insurance.
> Police.
> Unemployment Insurance.
> Roads.

Even that is going to be in force for only one month.

Mr. BENNETT: No.

Mr. RALSTON: It says:

> During the period of one month.

Mr. BENNETT: They must pass the orders within the month.

Mr. RALSTON: It says:

During the period of one month after the commencement of this act, His Majesty may, in respect of the services specified . . . make such orders in council as appear to him to be expedient.

Mr. BENNETT: Exactly.

Mr. RALSTON: It goes on:

(3) Any order in council or regulations made under this section shall, as from such date not earlier than the first day of October nineteen thirty-one as may be specified in the order or regulations, have effect notwithstanding anything in any enactment.

Mr. BENNETT: It is in force yet.

Mr. RALSTON: My right hon. friend does not derive much comfort out of that statute when he invokes it for the purpose of attempting to show that the British parliament had given to its government the sort of power which he is proposing under this resolution. I thought that was probably the strongest thing he said by way of reason, but when we look at the statute, we find it is simply one for administrative purposes, for reassignment of duties between different departments, for effecting economies and reducing expenditures.

I am sorry I have not the time that my right hon. friend had. What other matters were dealt with by him? He spoke of the Athabaska election. Although he professed to be speaking from such a high plane in dealing with unemployment generally in Canada he commenced by congratulating himself and his party on the victory they have achieved in Athabaska. He spoke at the same moment of the rule of the majority. Of course he remembers that his candidate, when he comes to parliament, will hold his seat by virtue of about one-third of the votes of that constituency.

Mr. MANION: And the Liberal candidate got one-quarter.

Mr. RALSTON: Yet my right hon. friend talks about the power of the majority and rails against the autocratic rule of the minority. What is he going to say to his friend from Athabaska when he comes to this parliament? The Prime Minister said half a dozen times—and I shall not take much time to deal with this point—that the legislation had worked well. We have dealt with this point during the debate; we have shown the deficiencies in the legislation and in the administration, and when the matter comes to committee, we shall have more to say about it. But in any respect in which the legislation has worked well, it has done so simply because he had the money to spend and under the suggestion made by my leader last night, my right hon. friend can spend money just as well as he could under the statute he seeks to resurrect. Is there any particular virtue or merit in this statute which would enable him to go further than he could if he put the same words into a supply bill and had it passed by the house in half an hour? Is there any reason why my right hon. friend whose heart bleeds so for unemployment at this time, instead of making a two-hour speech in connection with the matter, could not have introduced a supply bill, had it passed quickly by the house and then sent a telegram to Saskatchewan this very afternoon stating that the money was voted? He has not given any reason. He has mentioned two or three possible emergencies. Parliament is here should an emergency occur. Other parliaments are dealing with the same situation as that which presents itself to us. We are not so timorous as my right hon. friend would endeavour to have us in the face of situations in this country. We have met them before and we shall meet them again. We do not want my right hon. friend legislating over in the east block in the morning when we are here in the afternoon to pass any measures that may be necessary. The hon. member for Quebec East (Mr. Lapointe) reminds me that we are told the government are working twenty hours a day. We do not deny that; we realize they are having a difficult time, but they are giving themselves a great deal of unnecessary work in connection with these matters. If the Prime Minister would take the legal, constitutional, decent—I use that word in the legal sense—way of doing these things, he would not have half the trouble he has had in trying, if I may use the expression, to "bull" this iniquitous resolution through, regardless of what the result may be.

My right hon. friend rather twitted my hon. friend from Quebec East (Mr. Lapointe) with regard to the fact that he had asked for money in connection with unemployment relief this month. I know that it seems difficult to get it into the minds of our friends across the way, but can we not get into their heads what not even the Prime Minister, much less the Minister of Agriculture (Mr. Weir) seems to understand, namely, that everybody agrees to the voting of more money and the money can be voted in a minute if the government really wants the money. My right hon. friend seems to think the argument is about the relief of unemployment, but we are all agreed on the relief of unem-

ployment; there is no question about that at all. The question is whether my hon. friends opposite are going to be allowed to say to the unemployed and the people of this country who need relief: We will do nothing for you unless in addition to the money that is required parliament gives us all the powers of parliament. In other words, unemployment relief is made a mere incident to the demand which is being made by hon. gentlemen opposite for power, and unlimited power. The time they say is one of national crisis, but such times I would point out were lived through by Macdonald in the old days when he occupied the position of my right hon. friend, and such times were lived through by other Prime Ministers, and they did not have to ask for these extraordinary powers. The Prime Minister could only quote the war time as a time when such powers were delegated to the government, and I would remind him, if reminding is of any use, that even in war time there was a definite limit placed on every bill voting money for the purpose of carrying on the war, and as I am reminded, at that time a specific sum was voted every year.

My right hon. friend in an endeavour to special plead a little bit in the matter of a blank cheque trots out some statutes, and he says in effect: Here are some statutes which indicate that we have been given a blank cheque before. But he knows better than that. He knows that the Old Age Pensions Act is not on all fours with this measure, and it does not need a lawyer to draw the distinction between them. The Old Age Pensions Act is an act to appropriate from year to year, practically in perpetuity, a sum which is never exactly known but is always capable of assessment, a sum which was limited in the act to so much per person, and a sum which is granted only after a certificate has been forwarded that a certain expenditure has been made by the province. That has nothing to do with the proposal before us, which is that for the purpose of exercising unlimited power the government gets unlimited grants of money.

My right hon. friend also mentioned the Montreal harbour bridge, and his followers cheered lustily about that. I have the bill before me relating to the Montreal harbour bridge. That bill does not provide as the statute which is to follow this resolution does for the building of a wharf or some other structure down in Nova Scotia, and at the same time for the building of a grain elevator or the construction of a highway in British Columbia. It provides for the construction of one specific work, and for that work alone, a definite work across the harbour of Montreal, a bridge, and it provides that the harbour commission is authorized to build it. The only comfort my right hon. friend can get out of that, if there is any comfort in it at all for him, is that he says the governor in council—that is inferentially, because it says His Majesty—is authorized to guarantee the bonds issued by the commission for that undertaking.

Mr. STEVENS: With no limitations.

Mr. RALSTON: But the limitation is in the work itself. That is expressly specified, and every expenditure under the act is required to be approved by the governor in council before they guarantee the bonds, and as my hon. friend from Quebec East suggests, the money is owed by the harbour commission, and so far as I know the commission is a debtor which probably can pay, and I do not think there will be any difficulty about the government collecting the money or any danger of its being called on under its guarantee. So that instance also goes by the board.

My right hon. friend quoted one more instance, the relief of pensioners. I submit, with all due respect to him, that that is almost too puerile to mention in connection with a measure of this kind. The relief of pensioners, as my right hon. friend knows, is the subject from time to time of governor general's warrants because it is difficult to know just how much money is wanted. Further I would point out that even this year my right hon. friend who was not going to have any supplementary estimates at all from last year, who was going to see that the departments kept within their appropriations, laid on the table supplementary estimates amounting to something like $700,000 for the relief of pensioners. What has that to do with the measure with which we are dealing to-day? Nothing whatever, but mentioning all these irrelevant things helps to make people feel that the Prime Minister must have a vast store of information and gives them the impression that he must know what he is talking about. Many references are put on the record and people feel that they must be arguments or the Prime Minister would not make them. They do not know him as we do. He often makes the worse appear the better reason. He substitutes information for argument, information which while very interesting does not contribute much in support of the particular thesis he is presenting at the time.

My right hon. friend also mentioned that in England the rules permitted no debate on the resolution. Has that anything to do with this? Is there any reason why our rules should not be followed? Our rules do provide for debate on the resolution, and our rules have been made after a study by a special committee, and after a discussion by a committee of the whole house by members on both sides, and those same rules have been invoked quite often by my right hon. friend when he was sitting on this side of the house.

So much for the three or four statutes which the Prime Minister argues provide some precedent for the granting of a blank cheque. Then he goes to the other side of the argument and says: In connection with peace, order and good government, we have found already some reason for having these special powers. The only orders in council he has mentioned have been the order in council with reference to insurance securities, the order in council prohibiting the export of gold, the order in council with regard to the mounted police, and the order in council with respect to the Bank Act, and someone tells me that there was an order in council with respect to the purchase of railway ties by the Canadian National Railway. Well now, in view of the desire of my right hon. friend to give us all the information possible with regard to the expenditures made under this act, it did seem to me that the Minister of Railways (Mr. Manion) was very reticent about that purchase of railway ties. He once more put up the same old defence which we have heard so often since he has been over there, that he knew nothing whatever about the management of the Canadian National Railway. I suggest that he had better inquire into the expenditure of that $1,000,000 for railway ties, because I think he will find something that the government ought to know with regard to it, particularly a government which professes that this act has been fairly administered and the money of the people properly spent in the interest of the needy.

The working out of the act can be summed up in this way. The money was provided to relieve unemployment. I repeat again the figures I gave to my hon. friend the Minister of Trade and Commerce (Mr. Stevens) when he spoke the other day. I repeat that something like $46,000,000 of federal money has been spent for unemployment relief and about $100,000,000 of provincial and municipal money. I repeat again that 300,000 odd men have been provided with three days employment out of every month since that money was voted; and I ask my right hon. friend, even by and large, and taking it "generally speaking," to use his own phrase, does that show any real provision for unemployment relief, and is that any redemption of his election promises? I submit that from the point of view of affording employment an expenditure of $146,000,000 to provide only about 14,000,000 day's work or an expenditure of about $10 for every day's work performed, is not a very good record.

That is the general picture of the unemployment administration in Canada. I should have liked to deal with the administration of the Unemployment and Farm Relief Act, so far as political patronage is concerned, but will leave that because I want to deal with the position as described by my right hon. leader last night. I submit my right hon. friend opposite has shown in none of the precedents he has cited, in none of the statutes to which he has referred, any reason why unemployment relief should have to be accompanied by these extraordinary features. Let us look at the real position as between the government and those of us on this side. I should like to place before my hon. friends opposite and before the country a restatement of the position, but I cannot hope to state it in as masterly a fashion as did my right hon. leader last night. The position needs restating, and restating constantly, so that my hon. friends opposite may understand.

I am sorry the Minister of Agriculture (Mr. Weir) is not in his seat because yesterday he was very keen with regard to this resolution, and he tried to furnish reasons as to why the present and no other procedure could be taken. In passing may I say this: I notice in his speech he intimated the adoption of this measure had been advocated by the premiers of other provinces. I want to challenge—

Mr. BENNETT: I did not say that.

Mr. RALSTON: No, the Minister of Agriculture said it. He was advised by the premiers of other provinces—I thought my right hon. friend would not assent to the remarks of the Minister of Agriculture.

Mr. BENNETT: Not in those terms.

Mr. RALSTON: These are the words of the Minister of Agriculture—

Mr. BENNETT: I think not.

Mr. RALSTON: I should like to ask the minister if the premiers of those provinces were ever asked if they would take the money any way they could get it, whether under the proposed measure or any other measure. Does the Minister of Agriculture mean to tell this

house that the premiers of the provinces care one bit how they get the money, so long as it is voted and set aside for the relief of the unemployed. My friend trotted them in here and attempted to have us infer that it was their wish that the measure should be adopted in the form it now appears before us.

Now, what is the situation? People are unemployed; they need relief. The government says in effect, "We will not feed and help them, unless two things take place,—first, that you hand over not only the money but all the powers of parliament, and, secondly, that you give us unlimited control." I say Mr. Speaker, that that is putting the thing the wrong way about. I urge that the important matter is the relief of unemployment. The government has endeavoured however to make the acquisition of power the important point, to hang unemployment on it and to use those who are in distress in an endeavour to wring from this parliament what they succeeded in obtaining twice before, namely the total surrender of all the rights of the people. As my right hon. leader has said, they pledged themselves they would not take that action again, and I shall prove that by the remarks of the Prime Minister himself.

What is our position? The government has said relief is needed, that there is an emergency, and that people are starving or are hungry. We say to the government, we repeat it and will continue to repeat it, "Tell us what you think you want; if you want it until May 1, you may have it; if you want it until September 1 you may have it; if you want it until March 31, next year, you may have it. So far as we are concerned, if you are willing to strike out the words 'peace, order and good government' in the act, and are willing to place a limitation on the amount asked for—any limit you may wish to set—the bill may go through, and relief may be granted to-day." That is our position. Why wait for the closure rule to take effect on Tuesday? The action we have suggested may be taken to-day. So far as that goes it could have been taken last week. As a matter of fact it could have been done before the end of February.

My right hon. friend's excuse in regard to delay is pretty lame. If my right hon. friend believed the question of unemployment was so important during the days of the election campaign, if he felt it was so important last session when he asked for these extraordinary powers, did he not think it deserving of definite comment in the speech from the throne? Surely in his view the little bit of soft soap which appeared in the speech from the throne, to the effect that conditions are improving, was not sufficient. Did he not at that time think the matter of unemployment had to be grappled with? If it was not important then why are we now confronted with this emergent legislation as if the whole national structure was falling around us. At the time of the speech from the throne the Prime Minister did not seem to think that unemployment was a serious problem. After parliament opened he seemed to forget all about it until on February 26 someone woke up and said, "The best thing we can do for the unemployed is to rub out the word "March" and put in the word "May", in the old statute and run her along for another month or more."

Let us see what my hon. friend thought in 1931 about peace, order and good government, and the usurpation of the rights of the people. Let us see what he pledged at that time. My right hon. friend seems to think that this legislation is no invasion of the rights of the people; he seems now to think it is perfectly proper that rights of parliament should be vested in members of the government. We would hear a storm from my right hon. friend however if he were on this side of the house and any of the powers he now seeks should be vested in a Liberal government led by my right hon. leader.

A year ago, the Prime Minister was faced with a very determined protest and yet he asks us to believe that he thought this year that we were going to pass the present measure and that matters were going to run smoothly. He could not have forgotten that a year ago there was a prolonged debate on the resolution when hon. members on this side of the house protested vigorously against granting parliamentary powers to the seventeen gentlemen on the cabinet benches, and against giving them a blank cheque. Certainly he had no right to expect the present measure would go through without opposition, because if he remembered his experience of last year he must have known better. He was warned at that time. Hon. members on this side of the house pointed out that he was usurping the powers of the people. What did he do then in order to make the act less obnoxious? The Prime Minister of Canada gave his pledge that after March 1 of this year he would not further usurp the rights of the people. Here is what he said, as it appears at page 4448 of Hansard for the year 1931:

> I am not without full realization of what is involved in the bill, but in order to meet my right hon. friend I will shorten the time to March 1, and make it clear that we have no desire to usurp powers as was suggested.

Mr. BENNETT: Hear, hear.

Mr. RALSTON: The bill originally was for March 31; the right hon. gentleman opposite admitted that to have the bill run to March 31 at a time when parliament was sitting would be a usurpation of powers, and therefore he limited it to March 1. What was the situation? The situation was that last year parliament met on March 12. I have no doubt my right hon. friend expected that this year it would meet about the same day, and he was content that the date of expiry of the bill should be coincident with the meeting of parliament. He indicated plainly that if this bill were in force this year while parliament was sitting there would be a usurpation of the people's rights.

In the light of what is now proposed I should like again to read from the statement made last year by the right hon. gentleman:

> I will shorten the time to March 1 and make it clear that we have no desire to usurp powers as was suggested.

Now what does he purpose doing? I shall paraphrase his words, "I will lengthen the time to May 1 and make it clear that we do desire to usurp the powers, as was suggested." This is the right hon. gentleman who brushes to one side a constitutional question and says there is nothing in it, but who last year promised this parliament and country that after March 1, 1932, that monstrosity passed last year would not be upon the statute books.

My right hon. friend has given a number of instances in which he says extraordinary powers might be useful. There have been pointed out time and again the possibility of the extraordinary use of such powers, uses which would be quite within the letter and the spirit of the statute. Instances were given the other night. Let me remind the house that, if this bill becomes law, until May 1, with parliament sitting, my right hon. friend and his government if they liked could disfranchise any member who dared to criticize the government. Sitting over in the east block he could pass an amendment to the elections act. He has already amended the Insurance Act and he could amend any other statute. He has probably looked into this aspect of the matter or he would not have come here at all; but I am not so sure that if he had taken time by the forelock, if he had thought of it in time, he might not have succeeded in perpetuating himself by amending and extending the act by order in council before it had expired. Evidently he did not want to take that chance. He came here on February 26 and asked for what he calls a renewal of the act, but it is not a renewal. He speaks of a continuance of the act, but as we have pointed out to him, there is going to be a definite break between March 1, when the act expired, and the date when the new act is assented to, and my right hon. friend will not have any legalization for what has been done in the meantime.

I am trying to dig out all the reasons I can which have been given as to why this particular bill should become law. The Minister of Agriculture (Mr. Weir) said that they needed the machinery provided under this bill; he says that this machinery is necessary, because there would be less disturbance if it were kept in operation. Let me ask: Is there any machinery in the world that would be changed in connection with the expenditure of the money whether it were spent under an ordinary parliamentary vote or under this statute. There is a director of employment, and he would still spend the money if it were voted under a supply bill founded upon estimates, just the same as he would spend it under this act. There are still subdirectors of employment in the different provinces; there is still the Department of Labour; exactly the same machinery would be used in either case, and the same kind of dollars would be paid out. I am afraid that in some cases the same sort of men would be employed in connection with the work, but I am sure there would be no change nor would there be any dislocation because of the fact that the money did not happen to be voted under this act but under an estimate passed by committee of the whole house and subsequently included in a supply bill. The only machinery wanting under the old act is provision for a director of peace, order and good government, and I think my right hon. friend will probably take care of that office himself. There is no need of any more machinery; there is no fear of dislocation of any kind or description. Canadian dollars are Canadian dollars no matter how they may be voted, but my right hon. friends demand that these Canadian dollars be accompanied by a complete surrender of all the rights of parliament and of the people.

I have spoken of the delay which has taken place, and in the moment or two left me I want to point out the situation in which my hon. friends opposite find themselves to-day. As a result of an absolute, callous indifference to this question of unemployment, as a result of the way in which hon. gentlemen opposite have treated it since the election this is the situation. The act has expired. A resolution was put on the order paper on February 26 but was never touched or mentioned by the

Prime Minister until March 8, and the debate has been going on since that time; and the position in which my right hon. friend finds himself to-day is that he had to have his Minister of Agriculture move yesterday that the question be now put. And this afternoon the right hon. gentleman has himself put on the gag by giving notice of closure on Tuesday next. What is the situation so far as supply is concerned? To the motion to go into supply an amendment has been moved by the hon. member for Kenora-Rainy River (Mr. Heenan), the former Minister of Labour, which motion has not yet been disposed of. Going into supply automatically is blocked for this reason, that the Minister of Trade and Commerce (Mr. Stevens) has given the house an undertaking that the government will not proceed with any supply involving the ten per cent cut in civil service salaries, and the only estimates that are left to be considered are estimates of that kind. My right hon. friend will therefore find it necessary to dispose of the debate on deductions or reductions in civil service salaries before he can proceed with supply. And this jam, the position in which my hon. friends opposite find themselves now, is due simply to the delay and the indifference which they have manifested in connection with unemployment from the first of the session, when the matter should have been introduced and dealt with. Moreover, as my right hon. leader (Mr. Mackenzie King) points out, the financial year ends on March 31 next, so that probably the government will be coming to us for interim supply, because the voting of supply has been blocked by their own neglect and delay. Now that is a nice situation in which we are to break up as we go home for Easter.

I suppose my right hon. friend will not take any personal assurance from me, but I wish to give him one, and I believe I can get support for it if he still wants money for the relief of unemployment in Saskatchewan. And, by the way, I take the position that Saskatchewan is not the only province that needs unemployment relief. The people of my constituency and my province are in need of relief also. The fishermen there are in sore straits and need relief in the worst way. The only thing they have got so far is an extra lobster season to give them the great privilege, bless your heart, of six weeks' lobster fishing in the bleak months of December and January. That has been the extent of the unemployment relief they have obtained, with the addition of small works in connection with breakwaters and things of that kind. No real attempt has been made to assist the fishermen. Now my assurance to my right hon. friend is that we will stay here this evening and pass—

Mr. MACKENZIE KING: And it is now five minutes to six o'clock.

Mr. RALSTON: I am suggesting—

Mr. BENNETT: Talk a little sense anyway.

Mr. RALSTON: I am suggesting to my right hon. friend in all seriousness that we are quite willing to stay, but he does not want money to relieve unemployment; he wants power. Unless chapter 58 is handed over to my hon. friends opposite they will not take the money to relieve unemployment. That is the position. My right hon. friend must admit that there is no need of chapter 58 in the next six weeks. As a matter of fact, there is very little in chapter 58 which he required in the last year. But it has been a good thing for him to have in his hands, as he himself says—a weapon; that was the word he used. But, Mr. Speaker, we are still living, at least we thought we were living, in a democratic country, whose people send their representatives to parliament to take part in the discussion of all legislation. But, from what has been taking place, I do not know what the Prime Minister wants parliament for. I do not see why if we should reenact chapter 58 there is really any need of the House of Commons. He can sit over in the east block and do everything that parliament could do. Why bother with parliament at all? I am going to repeat the suggestion to the Prime Minister, nevertheless.

Mr. LAPOINTE: We can come back at eight o'clock.

Mr. RALSTON: If the Prime Minister wants money for unemployment relief in Saskatchewan, he can have it, and we will stay here until he gets it. Once more, however, he laughs; once more he receives the suggestion with levity. Let me tell him, however, that I am as serious in this suggestion as I can possibly be. If my right hon. friend would open his heart and tell us exactly what he thinks, I am sure that he is as sick as anyone that he ever thought of asking for chapter 58.

Mr. BENNETT: He certainly is not.

Mr. RALSTON: He knows that chapter 58 is no good; his supporters have told him it is no good. I have no doubt that in the caucus held this morning they told him pretty freely

and plainly that they thought he was making a mistake in hanging on to chapter 58, but apparently he is going to do so.

Now, Mr. Speaker, just this last word: My right hon. friend, I take it from the way in which he received my suggestion, is not going to stay to-night and is not going to take the money from us. He is going to let the unemployed wait until after Easter, until the dragooning process is put through and parliament is forced to vote this money in his way and in no other.

Mr. BENNETT: Did I understand my hon. friend to say, "Take the money from us?"

Mr. RALSTON: Yes, that is right, from parliament. We are parliament.

Mr. BENNETT: The minority is going to hand out the money?

Mr. RALSTON: We are parliament, and that minority argument does not carry my right hon. friend very far. Every hon. member here is a part of this House of Commons, and every man has an equal right to participate. While my right hon. friend's reference to the government as a committee of this house may be correct in point of fact, really the government are advisers of the representative of the crown, who happen to be members of this house. The right hon. gentleman has admitted that my right hon. leader was right when a year ago and at the special session as well he suggested conferences. My right hon. friend intimates that clandestinely, or apparently not openly, he has had some of these conferences with the provincial premiers, one at a time. I suggest to him that in spite of the twenty hours a day he and his government are working, no more proper thing could be done during the Easter recess than to have a conference called here at Ottawa. We might even adjourn for a day or two longer in order that the Prime Minister might have the benefit of the combined brains and business judgment of people of various walks of life who know something about unemployment relief, who know what conditions are in different parts of the country, who are non-partisan and who are actuated by only one motive, and that is to relieve distress. I believe if he does that it will be possible to bring in a measure which will really implement the promises which he made.

I say this bill does not and has not, in the experience we have had with it, in any way met the promises made by the Prime Minister. It has been ineffectual; it has been inadequate; it has been expensive; it has been extravagant. I want to repeat what cannot be repeated too often, that the money can be made available in the shortest possible time for the relief of unemployment if the Prime Minister really wants to relieve distress. I say, however, that as far as this side of the house is concerned, we do not propose to surrender the right of the people to control expenditure and taxation, which is one of the bulwarks of British institutions. We are not going to hand over the fortress of responsible government without a struggle and we refuse to be a party to this enactment unless by force of the gag invoked by a ruthless parliamentary majority. I tell my right hon. friend that he has forgotten the unemployed altogether in his avarice for power. I believe my right hon. friend would gladly retrace his steps if he had those steps to take over again, because he is coming to realize that his very success in forcing this measure through will be his defeat.

At six o'clock the house adjourned without question put, pursuant to standing order, until Tuesday, March 29, at three o'clock in the afternoon.

Tuesday, March 29, 1932

The house met at three o'clock.

POINTE LEBEL, POSTMASTER

Hon. C. H. CAHAN (Secretary of State): I should like to correct a statement made at the last sitting of the house in the formal answer to a question asked by the hon. member for Témiscouata (Mr. Pouliot), who made inquiry as to whether one Henri Granier, postmaster at Pointe Lebel, county of Saguenay, was a British subject by birth or by naturalization. As the question came, Granier was spelled Grenier, and owing to that mistake in typewriting, after an examination a report was made that we found no record of his naturalization. But the correct name is Henri Granier who was naturalized and received his certificate on April 22, 1929.

BANKRUPTCY ACT AMENDMENT

Mr. MAURICE BRASSET (Gaspe) moved for leave to introduce Bill No. 36, to amend the Bankruptcy Act (Locality of a debtor).

Mr. GUTHRIE: Explain.

Mr. BRASSET: The object of the amendment is to repeal subsection one of section 4 of the Bankruptcy Act and to substitute therefor the following subsection:

Subject to the conditions hereinafter specified, if a debtor commits an act of bankruptcy a creditor may present, to the court having jurisdiction over the locality of the debtor, a bankruptcy petition.

The object of the subparagraph added is to remove the handicap under which a debtor is when an assignment is made at a great distance from his place of business and to avoid additional expenditure in the winding up of the estate.

Motion agreed to and bill read the first time.

FRANCE—FOREIGN WHEAT QUOTA

On the orders of the day:

Mr. E. J. GARLAND (Bow River): About a week ago France undertook to raise to 35 per cent the quota of foreign wheat used in the preparation of bread flour. I noticed in yesterday's newspapers a despatch intimating that on the 27th instant a further arrangement had been made increasing the quota to 40 per cent. May I ask if the government has any information in regard to this matter, and in both cases, the 35 and the 40 per cent, what percentage, if any, of this is Canadian wheat?

Right Hon. R. B. BENNETT (Prime Minister): The government has been kept informed as to the decrees that have been passed by the French executive and the figures that have been received by the Department of External Affairs from the representatives of Canada in Paris would indicate that purchases of Canadian wheat during the past year had exceeded 31,000,000 bushels, or twice the quantity that had been purchased in any one of recent years. The exact effect of the decree upon immediate importations is, of course, not known and cannot be known until its operations are apparent.

BEAUHARNOIS POWER PROJECT

GUARANTEES BY GOVERNMENT FOR ADVANCES MADE BY BANKS

On the orders of the day:

Hon. CHARLES STEWART (West Edmonton): I should like to inquire of the ministry what amounts have been guaranteed by the government to the banks for advances made to the Beauharnois Light, Heat and Power Company?

Right Hon. R. B. BENNETT (Prime Minister): The question will stand as notice of question.

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—MOTION FOR CLOSURE

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I beg to move, seconded by Mr. Guthrie:

That the present debate, namely, the debate on the proposed motion of Mr. Bennett that Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole on the following proposed resolution:

That it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor, and on the proposed motion of Mr. Weir (Melfort): "That this question be now put."

shall not be further adjourned.

The house divided on the motion (Mr. Bennett) which was agreed to on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park),
Arsenault,
Barber,
Baribeau,
Beaubier,
Belec,
Bennett,
Bourgeois,
Bowen,
Bowman,
Boyes,
Bury,
Campbell,
Carmichael,
Charters,
Cormier,
Cotnam,
Cowan (Long Lake),
Dickie,
Dorion,
Duranleau,
Ernst,
Esling,
Fraser (Cariboo),
Gagnon,
Ganong,
Gardiner,
Garland (Carleton),
Gobeil,
Gordon,
Gott,
Hackett,
Hanson (York-Sunbury),
Hay,
Irvine,
Jones,
Kennedy (Peace River),
Laflèche,
Larue,
Loucks,
Lucas,
Luchkovich,
MacLaren,
MacMillan (Saskatoon),
MacNicol,
McDade,
McGillis,
McGregor,
McLure,
Manion,
Murphy,
Myers,
Pettit,
Plunkett,
Price,
Quinn,
Ryckman,
Senn,
Shaver,
Short,
Simpson (Simcoe North),
Simpson (Algoma West),
Smith (Victoria-Carleton),
Smoke,
Spankie,
Speakman,
Spencer,
Spotton,
Stanley,
Stevens,
Stewart (Leeds),
Stewart (Lethbridge),
Stirling,
Stitt (Nelson),
Sutherland,
Swanston,
Tétrault,
Thompson (Simcoe East),
Tummon,
Weese,
Weir (Melfort),
White (Mount Royal),
Wright.—83.

NAYS

Messrs:

Ahearn,
Beaubien,
Blair,
Bouchard,
Boulanger,
Casgrain,
Cayley,
Chevrier,
Denis,
Deslauriers,
Dumaine,
Dupuis,
Fiset, Sir Eugène,
Fournier,
Garland (Bow River),
Giruoard,
Goulet,
Hanson (Skeena),
Heaps,
Heenan,

Hepburn,
Hurtubise,
King, Mackenzie,
Mackenzie (Vancouver Centre),
MacLean,
McKenzie, (Assiniboia),
McMillan (Huron South),
Mitchell,
Motherwell,
Neill,
Perras,
Reid,
Rutherford,
St-Père,
Sanderson,
Stewart (Edmonton West),
Thauvette,
Totzke,
Veniot,
Verville.—40.

PAIRS

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

Messrs:

Anderson (Halton), Factor,
Baker, Bertrand,
Barrette, Rhéaume,
Bell (Hamilton), Mercier (St. Henri),
Bell (St. Antoine), Raymond,
Bell (St. John-Albert), Dubois,
Black (Halifax), Dubuc,
Burns, Butcher,
Cahan, Rinfret,
Cantley, Cardin,
Casselman, Howard,
Chaplin, Malcolm,
Cowan (Port Arthur), Ilsley,
Duguay, Boucher,
Dupré, Ferland,
Edwards, Elliott,
Embury, Bothwell,
Fortin, Fafard,
Geary, Mercier (Laurier-Outremont),
Guthrie, Lapointe,
Harris, Jacobs,
Johnstone, Donnelly,
Kennedy (Winnipeg), McIntosh,
Laurin, Fontaine,
Lawson, Gray,
Lennox, Pouliot,
MacDonald (Cape Breton), Urquhart,
Macdonald (Kings), Hanbury,
Macdougall, Euler,
McGibbon, Power,
Maloney, Young,
Matthews, Moore (Ontario),
Morand, Parent,
Mullins, Howden,
Nicholson, Bradette,
Perley (Qu'Appelle), Munn,
Perley, Sir George, Marcil,
Porteous, Macphail (Miss),
Rhodes, Ralston,
Robinson, Desrochers,
Rogers, Woodsworth,
Ross, Roberge,
Rowe, Lacroix,
Ryerson, Taylor,
Sauvé, Séguin,
Smith (Cumberland), Duff,
Spence, Fraser (Northumberland),
Stitt (Selkirk), Weir (Macdonald),
Stinson, Hall,
Sullivan, Brasset,
Turnbull, McPhee,
White (London), Gershaw,
Willis, Brown,
Wilson, Vallance.

[Mr. Bennett.]

Mr. WILLIS: I was paired with the hon. member for Lisgar (Mr. Brown). Had I voted I would have voted for the motion.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted I would have voted against the motion.

Mr. MALONEY: I was paired with the hon. member for Weyburn (Mr. Young). Had I voted I would have voted for the motion.

Mr. CAHAN: I was paired with the hon. member for St. James (Mr. Rinfret). Had I voted I would have voted for the motion.

Mr. SPENCE: I was paired with the hon. member for Northumberland (Mr. Fraser). Had I voted I would have voted for the motion.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted I would have voted against the motion.

Mr. BERTRAND: I was paired with the hon. member for Toronto Northeast (Mr. Baker). Had I voted I would have voted against the motion.

Mr. DONNELLY: I was paired with the hon. member for Cape Breton North-Victoria (Mr. Johnstone). Had I voted I would have voted against the motion.

Mr. BRADETTE: I was paired with the hon. member for East Algoma (Mr. Nicholson). Had I voted I would have voted against the motion.

Mr. MATTHEWS: I was paired with the hon. member for Ontario (Mr. Moore). Had I voted I would have voted for the motion.

Mr. LAWSON: I was paired with the hon. member for West Lambton (Mr. Gray). Had I voted I would have voted for the motion.

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke (Mr. Howard). Had I voted I would have voted for the motion.

Mr. BOTHWELL: I was paired with the hon. member for Hastings-Peterborough (Mr. Embury). Had I voted I would have voted against the motion.

Mr. MARCIL: I was paired with the hon. member for Argenteuil (Sir George Perley). Had I voted I would have voted against the motion.

Mr. MUNN: I was paired with the hon. member for Qu'Appelle (Mr. Perley). Had I voted I would have voted against the motion.

Mr. SAUVE: I was paired with the hon. member for L'Assomption-Montcalm (Mr. Seguin). Had I voted I would have voted for the motion.

Mr. ANDERSON (Halton): I was paired with the hon. member for Toronto West Centre (Mr. Factor). Had I voted I would have voted for the motion.

Mr. WHITE (London): I was paired with the hon. member for Medicine Hat (Mr. Gershaw). Had I voted I would have voted for the motion.

Mr. BRASSET: I was paired with the hon. member for St. Ann (Mr. Sullivan). Had I voted I would have voted against the motion.

Mr. RYERSON: I was paired with the hon. member for Norfolk-Elgin (Mr. Taylor). Had I voted I would have voted for the motion.

Mr. EDWARDS: I was paired with the hon. member for West Middlesex (Mr. Elliott). Had I voted I would have voted for the motion.

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted I would have voted for the motion.

Mr. MERCIER (St. Henri): I was paired with the hon. member for East Hamilton (Mr. Bell). Had I voted I would have voted against the motion.

Mr. MERCIER (Laurier-Outremont): I was paired with the hon. member for South Toronto (Mr. Geary). Had I voted I would have voted against the motion.

Mr. RHEAUME (Translation): I was paired with the hon. member for Berthier-Maskinongé (Mr. Barrette). Had I voted I would have voted against the motion.

Mr. ROBERGE (Translation): I was paired with the hon. member for Kingston (Mr. Ross). Had I voted I would have voted against the motion.

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—CONSIDERATION OF RESOLUTION

The house resumed from Wednesday, March 23, consideration of the motion of the Prime Minister that Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole on the following proposed resolution:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor,

and on the proposed motion of Mr. Weir (Melfort): "That this question be now put."

Hon. PETER HEENAN (Kenora-Rainy River): Fortunately, Mr. Speaker, the carrying of the closure motion does not prevent us from drawing to the attention of the country that closure is being applied in this case for one reason and one reason only, and that is to permit the government of Canada to legislate by order in council, so that the government may do in the east block the things which they ought to do in this house of parliament. The government is asking for a blank cheque to spend the money as it pleases, and not in the interests of the unemployed. This is but one more evidence of the fact that the Conservative party and this government is again attempting to play petty politics with the unemployment situation in this country. They want to make it appear to the public that they are really sincere in their professions that they want to do something for the unemployed and that they are being blocked by the opposition, but, Mr. Speaker, the people have been too often deceived by such tactics on the part of the Conservative party to take any stock in such representations again. The people are aware that the leader of the Liberal party, even before this debate began, urged the government to bring down a supply bill to provide an adequate sum for unemployment and farm relief and assured the Prime Minister that if such a measure were brought down it would speedily pass the house. The people are also aware that that offer has since been repeated many times from this side of the house. Indeed, with the acquiescence of the Liberal party in this house I had the honour to make to the government as late as March 11 last, this offer, that if they would bring down a measure to appropriate a sum sufficient to take care of unemployment and farm relief in this country we would pass it within the hour. The government persists in telling the unemployed that they will receive nothing unless the parliament of Canada hands over its powers to the cabinet in council. They persist in telling them that distress will not be relieved unless by a measure coupled with provisions for peace, order and good government. Well, they have had some peace, and a little order, but we have seen no evidence of their good government.

The proposal now before us gives no assurance to the unemployed that one penny of the proposed expenditure will be spent on

their behalf. It simply gives to the government the right to say whether or not they will do anything for the relief of the distressed. Why keep the unemployed in suspense?

Mr. STEVENS: Hear, hear.

Some hon. MEMBERS: Why, why?

Mr. HEENAN: Mr. Speaker, there is one very significant fact about hon. members opposite: They have no constructive suggestions to make, but—

Mr. GOTT: This ought to be good.

Mr. HEENAN: —but they are always making ignorant cat calls, heckling and using abusive language. Then when hon. members on this side of the house give them a little of it, Hansard will show that they cringe and whine and ask for the protection of the rules of the house.

Why keep the unemployed in suspense? Why not bring in a measure, now?

Mr. HANSON (York-Sunbury): That is what we are asking.

Mr. HEENAN: Mr. Speaker, last year I had to threaten to keep order myself; I hope I shall not have to follow that course this year. Why not bring down a bill so that this government may do even some little thing, in an endeavour to redeem some of the pledges they made in the year 1930?

Mr. GOTT: What about the five cent piece?

Mr. HEENAN: Up to the present time this government has done little except to supplement the efforts of the provinces and the municipalities. Hon. members opposite have encouraged and induced provinces and municipalities to proceed with large expenditures on public works, and at the present time those smaller communities are unable to go farther. Those contracts were undertaken because encouragement had been given by this government, and they were told they would receive assistance. Indeed, on the one hand they did receive assistance to the extent of approximately $50,000,000, while on the other hand the provinces and municipalities were forced to commit themselves to the extent of over $100,000,000.

I repeat that if this measure were to become law to-day we have no assurance that the farmers and the unemployed would receive one cent. Such a measure would simply hand over to the government of Canada powers which they might use at their own discretion, and they would be in a position to decide whether or not one dollar would be spent. If the government adheres to the principle it has already adopted, namely to supplement only what the provinces and municipalities do, I say, "God take care of the unemployed of this country," because many of the provinces and municipalities are to-day on the verge of bankruptcy. I fear the unemployed will be disappointed just as they were last spring, summer and fall. Why cannot the government bring in a supply bill providing an amount sufficient to attend to the needs of the unemployed? Parliament should be given an opportunity to vote a specific sum so that those in distress may have some assurance that they will receive substantial assistance.

Many excuses have been offered by members of the government as to why the present and no other procedure should be followed. The Minister of Trade and Commerce (Mr. Stevens) gives one excuse, the Minister of Agriculture (Mr. Weir) gives another, and the Prime Minister (Mr. Bennett) yet another. I submit any one of the excuses given by ministers of the crown is ample reason why this government should not be entrusted with the powers they seek. Government supporters, many of my hon. friends opposite, who are now laughing, know very well that this government is taking a wrong step. Knowing that, they have busied themselves in an effort to make people believe the opposition has been blocking the relief measure. My reply to that is that the people have been deceived too often by the tactics of the Conservative party to believe any such suggestion. They were deceived in 1930. In that year the Conservative party promised that if returned to power they would end unemployment. They were deceived when unemployment increased as it still continues to increase. The people were deceived when the Conservative party promised that the unemployment problem would be dealt with on a national basis. The deception was completed when this government would do nothing except supplement the efforts of provinces and municipalities. On the one hand the people thought that this government had assisted the provinces and municipalities to the extent of about $50,000,000. They found however on the other hand that they had been deceived because this government withheld public works, old age pensions, technical education and national highways contributions to the extent of over $60,000,000.

We are asked by this measure to hand to the governor in council the rights of parliament, to trust to the discretion of a government which has already attempted to make

a mockery of parliament. Hon. members are brought from every part of Canada and faced with a measure which deprives them of their rights. We are asked, in a period of distress, when people want work, to give up the powers which parliament possesses. We are asked to trust to a party which treats with scorn, disdain, abuse and heckling any constructive suggestion offered by hon. members on this side of the house. We are asked to trust a party which said in the year 1930, "We want no conferences; we want to give the people work. If we are elected to power we will give them work." Now, when all their policies have failed and they have brought bankruptcy on some provinces and municipalities, they cry out for a conference. We are asked to trust a government that on the floor of this house promised to insist on the payment of fair wages on all public works to which federal funds were contributed. Yet after parliament prorogued this government made agreements with the provinces providing for a maximum instead of a minimum wage and stood idly by while the government of Ontario reduced the rate of wages on such works in northern Ontario to thirty cents an hour, although in the constituency of the Minister of Labour (Mr. Gordon) the federal government paid forty cents an hour for the same kind of work. We are also asked to trust a government whose Minister of Railways (Mr. Manion) has admitted that he has reduced the wages of men working on our canals. But he did more than that; he established certain classifications and grades by which the wages of those men could be still further reduced, and when this retrograde step was brought to his attention he enunciated a principle that I have never heard before in this house—that the government proposes to pay not one cent more than private employers are paying for similar work. In other words, if private employers take advantage of the times to treat labour as a commodity and drive men into slavery—and many employers are doing this—then the government is prepared to follow suit. We are asked to trust a government the head of which promised that if elected he would make everyone in this country prosperous; but when all his policies failed he went to the city of Toronto and told the people there that it was only by the grace of God that we could be saved; and then he comes to this house after making that declaration and asks for a blank cheque in order to try to save the country himself. Yes, we are asked to trust a government that during the last election organized the unemployed, furnished them with white ribbons to wear in their lapels, and sent them in to meetings to hiss and jeer at the then Prime Minister and his candidates, and to attend meetings of the Conservative candidates to cheer the great doctor that was to cure all their ills. But after the election when those same men marched to Ottawa to ask for work they were met at the gates of these grounds by an armed force. These same men who in 1930 were told that they were good honest citizens and simply wanted a chance to work, in 1932 are designated as communists and radicals and not to be trusted. How can anyone who has ever given a thought to labour affairs expect that a Conservative government will grapple successfully with any of the problems of the workers? They never have yet, and I do not expect they ever will solve the problems of our workingmen. It is only recently that this government has been converted to the idea of even suggesting any help for the workers. During the 1930 elections the Prime Minister told the people of Guelph: Never trust a convert to do anything that he has not been brought up to do, because he will always make a mess of it.

Mr. GOTT: We have heard that forty times.

Mr. HEENAN: I will give it to you forty-one times.

Mr. SPEAKER: Order.

Mr. HEENAN: The Prime Minister enunciated the principle, "Never trust a convert." I say he is right in that principle, because the Conservative party has only recently been converted to try to do anything for the unemployed.

Mr. GOTT: You are a convert yourself; you were elected first as a Labour member.

Mr. SPEAKER: Order.

Mr. HEENAN: What is more, Mr. Speaker, the Conservative party surely has made a mess of the unemployment situation in this country. We are asked to trust a government that never was able to grapple with labour problems without making a mess of them. The other day the Prime Minister told us about the great victory of the Conservative party in the Athabaska by-election.

Some hon. MEMBERS: Hear, hear.

Mr. HEENAN: I am glad that my hon. friends opposite are very much pleased with the result of that by-election. Evidently it does not take very much to please them. If they will analyze the figures they will see that approximately 4,800 people voted for the Conservative candidate—

Mr. GOTT: How many voted for the Labour candidate?

Mr. HEENAN: —and over 11,000 voted against the Conservative candidate.

An hon. MEMBER: How many Liberals voted?

Mr. HEENAN: Eleven thousand voted against the Conservative candidate. But if my hon. friends opposite want to analyze by-election results let them look at what happened where there was a straight fight between autocrats and democrats.

Some hon. MEMBERS: Three Rivers.

Mr. SPEAKER: Order.

Mr. HEENAN: Let them look at East Hamilton.

Some hon. MEMBERS: Three Rivers.

Mr. HEENAN: Yes; and in Three Rivers the Conservative party were drowned during the last provincial election. In the next election it will not take even Three Rivers to drown the Conservative party. Let them look at East Hamilton where there was a real fight between democrats and autocrats.

An hon. MEMBER: Why didn't you put up a candidate?

Mr. SPEAKER: Order. I must ask hon. gentlemen to desist from interrupting. Members in this debate are limited to twenty minutes, and even if they are given all their time without interruption they may not be able to say all they want to say.

Some hon. MEMBERS: Hear, hear.

Mr. HEENAN: Thank you, Mr. Speaker; it will not take me many more minutes to tell all I want to tell about this government. I submit that we could not possibly trust this government—a government that went down into Quebec and the maritime provinces and deceived the old people by promising them that if returned to power they would treat old age pensions as a federal obligation. This induced the governments of Nova Scotia and New Brunswick to postpone taking pensions and as a result of the failure of this government to redeem its promise the old people of those provinces lost the benefit of old age pensions. We cannot trust these autocrats to do anything. I say to them: Bring in a supply bill even at this late date and give us an opportunity to provide for unemployment and farm relief; bring in a supply bill and we will pass it this afternoon.

Mr. THOMAS McMILLAN (South Huron): Mr. Speaker, at the outset I desire again to emphasize that in common with every member on this side of the house I am ready and willing and anxious to help the government pass any reasonable supply bill if it is introduced in a constitutional manner; but, so far as I can prevent it, I am not willing to allow any measure to be passed in the autocratic manner in which the government is attempting to force their proposals through the house. If we as members are here for any good purpose it is to try to hand on to those who come after us the free representative institutions which we now enjoy. The freedom which we and every other country enjoy under British parliamentary institutions is due to the sacrifices of our ancestors, and it is our duty to make similar sacrifices for those who succeed us. What difference does it need to make to us personally if conditions in this country are never any better? It will only be a few short years until we too are off the scene. So that if we are here for any good purpose whatever it is to hand on to those who come after us that degree of freedom and liberty which we now enjoy. If we are here for any other purpose, it would be better for ourselves and for our country if we were a thousand miles away.

After the convincing manner in which my honoured leader presented the whole question on Tuesday last there was no good reason why the Prime Minister should not have withdrawn his resolution and introduced a supply bill, had he wished to proceed in a constitutional manner. However, he has shown in the most unmistakable way that he is always ready to ride roughshod over the rights of parliament, and he is setting precedents which may guide and direct Canadian parliaments in the days that are to come. The Prime Minister asked this house if it did not agree that in the main the relief measures of the government had worked fairly satisfactorily. An honest review of the facts should tell him that they have been dismal failures.

What are the facts of the matter? Briefly stated, they are these: The Prime Minister, appealing to the electorate at Sarnia, Ontario, in July, 1930, said:

> Canada is now in a critical condition. Unemployment exists on a scale never before known in the history of this country. All by reason of the policies of the Mackenzie King government.

At Moncton, New Brunswick, in July of 1930, he said:

> Mr. King promises you conferences. I promise you action. He promises you consideration of the problem of unemployment. I promise to end unemployment. Which plan do you like best?

At Montreal on June 26, 1930, he said:

Unemployment has become a national problem in Canada. The first duty of the Canadian government is to provide work for Canadians.

Mark you, Mr. Speaker; he said this was the first duty of the Canadian government. According to the words of the Prime Minister, unemployment had ceased to be a municipal and provincial problem and had become a national problem, which should be dealt with in a national way. He did not then say "I will hand to some other authority the power to deal with this matter." No; he said, "I promise to end unemployment" and the electorate took him at his word. He called the special session of September, 1930, presumably to end unemployment by federal means, and at that session he jammed through a vote of $20,000,000 presumably for that purpose. But in as little time as it takes to tell he scrapped the whole theory of ending unemployment by federal means, and saddled upon the municipalities and the provinces more than 75.4% of the entire burden. No time was given for discussion; this vote and the changes in the tariff, were forced through parliament by the threat that until these measures were passed the Prime Minister would refuse to leave Ottawa to attend the Imperial conference. Every member of the Liberal party wanted to facilitate, and in fact did facilitate, his going to that conference, but subsequent events have demonstrated that it would have been a good thing for this country if the Prime Minister could have been tied hand and foot so he could not have left. It would have saved this country a lot of humbug.

Time went on, and as the right hon. gentleman continued his policy of humbug, the number of unemployed increased from 117,000 in September of 1930 to 379,000 in October of 1931. Now, according to the estimates of the trades and labour council, the number of unemployed has reached the appalling total of over 550,000, and every sensible person knows that throughout the country there are thousands of people not included in those figures. Then the session of 1931 was called on March 12, and we found that unemployment conditions were infinitely worse than ever before. Every hon. member expected to hear something from the government as to what was being done and what would be done in order to grapple with the situation.

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

Mr. McMILLAN: For four and a half months, from March 12 to July 29—

Mr. SPEAKER: The hon. member has risen to a point of order.

Mr. McMILLAN: I have only twenty minutes, Mr. Speaker, and we know my hon. friend sufficiently—

Mr. SPEAKER: Order.

Mr. GOTT: Just between the pages my hon. friend is turning—

Mr. BEAUBIEN: State your point of order.

Mr. GOTT: I am going to state it, and I do not need a prayer book to help me. The hon. member always protests when an hon. gentleman on this side reads his speech, and I protest against my hon. friend reading his speech.

Mr. SPEAKER: I have not observed the hon. member reading his speech.

Mr. McMILLAN: I am within your judgment, Mr. Speaker, when I say that scarcely an hon. member rises to speak without keeping his notes either in his hand or on his desk. There is only one reason why I have my notes before me; this is the worst place on earth in which to speak, and sometimes it gets on my nerves.

Mr. GOTT: Then do not protest when others read their speeches.

Mr. McMILLAN: For four and a half months from March 12 to July 29 we were balked at every turn in our efforts to obtain from the government information which was long overdue. Even in the face of the solemn pledge of the Prime Minister that he would end unemployment by federal means we were continually sidetracked, either by dead silence on the part of members of the cabinet or by such expressions as, "This question can stand," or "The hon. member will be advised when this comes down," or "The matter is purely a provincial one," or "The primary responsibility rests on the provinces and municipalities." In this way the chosen representatives of the people were cajoled by the delusive speeches and promises of hon. members opposite. Finally, on July 29, four working days before the session closed, with estimates totalling millions of dollars waiting to be passed and with other important business still before the house, the Prime Minister introduced this blank cheque proposition. No one can be criticized for saying that this measure was brought down in the dying days of the session, when the thermometer was hovering around 110 degrees and when members were so exhausted that they were not in proper condition to give it the serious attention it

demanded. Nevertheless the Minister of Trade and Commerce (Mr. Stevens), in defending this legislation, stated that it had been given full consideration. At all events, chapter 58 clothed the government with authority to do whatever they liked and expend any amount of money they thought necessary, with no effective check whatever by the Auditor General, the one official who cannot be dismissed by the government without a two-thirds vote of the members of the House of Commons, but who can only exercise his powers when supply is brought down in the regular manner and earmarked for a special purpose. Under this plan the Auditor General is not allowed to exercise his supervision. On this point the Minister of Trade and Commerce said:

> I invite the house to consider that when an appropriation is passed under supply the purpose for which it is used must be specified, and the Auditor General and other officers of the crown, in scrutinizing such expenditures, always keep the government very closely to the purpose specified in such vote.

That was where the shoe pinched; this government, in their reckless extravagance, did not want to be curbed, so through this blank cheque legislation they managed to accomplish their purpose. It was amusing to be told by the Prime Minister that in order to revive this dead statute it was only necessary to use another of his phrases and say, "notwithstanding such and such a condition." Well, sir, if there is anyone who can make black appear white through his phrases, the Right Hon. R. B. is certainly the gent who can do it. He reminds me of the two old Scotchmen who were conversing outside the door of a country crossroads inn. Sandy said to Donal, "I say Donal, d'ye ken what 'Meetaphysics' means?" "No!" said Donal, "I dinna ken." "Well," said Sandy, "just listen and I'll tell you. If you're tryin' to tell me about something you know nothing about and I know nothing about it either, that's Meetaphysics. And for half your time you are surely guilty of talkin' aboot the likes o'that."

But now, forsooth, as another reason for asking that this act be further extended the Prime Minister wishes a fair application of the test: "Has this act not worked fairly well?" The answer is, that the shameful manner in which some of the provinces have misspent these unemployment relief funds granted from the federal chest, should forever damn such an unsound and indefensible system of financing. It is another vindication of the stand which Mr. Mackenzie King and the Liberal party have always taken, namely, that it is a sad mistake to encourage a system whereby one authority shall provide the funds for another authority to expend without any responsibility for their provision.

Listen again to the words of the Prime Minister of British Columbia. The British Columbia government launched its program, employed 16,000 men, built 170 camps and contracted a cost of over $50,000 a day on the definite assurance of the federal government that it would pay half the cost. The scandalously lavish manner in which their camps were constructed surpasses all reasonable comprehension. Supplies of all kinds were purchased, including 50,000 blankets and over 100 Delco Light plants; and 450 steel wheel barrows were counted at one camp. A foreman had to be appointed to regulate their use. Men got jobs as surveyors whose fathers held high government positions. Other men, with cars, were running about the country with instruments, to lay out bunkhouses, and erect elevated water supply tanks, where no suitable water supply could be found.

To show further on what a lavish scale the money was handled, they built two camps, only a mile apart. Coal was shipped from Vancouver island for fuel purposes, while lots of suitable wood was lying upon the roadside. Is it any wonder that ultimately orders were received from the federal authorities that such extravagance must cease? But not until over $3,500,000 had been expended in this scandalously extravagant manner. Machinery was bought on a scale never before known in connection with relief work. Take the whole country over. During the sixteen months ending with January 31, 1932, out of the entire expenditure of $146,899,219 only 331,145 workmen were given employment for only some 44½ days over the entire sixteen months, or an average of less than 3 days per month. Out of $147,000,000 expended in all, only $35,147,320.80 went for unemployment relief, less than one-third of the entire sum, constituting one of the most scandalously indefensible expenditures ever put over in the whole history of this country. And yet the Prime Minister had the temerity to stand up the other day and tell the house that the scheme had worked remarkably well.

I would like the Prime Minister to tell us where the other $112,000,000 has gone. Verily, were I in his predicament with such a record to my credit I would feel that I ought to be lashed for the remainder of my life.

Take also the administration of that $5,250,000 which has gone to direct relief for those 50,000 families in Saskatchewan, who have been in the burnt-out area for three successive seasons. To think that these people

through no fault of their own should suffer the loss of their all, for three successive seasons, and then at the hands of this government be compelled to sign promissory notes, which may hang over their heads for years. Do the members of this government not know of the carloads upon carloads of fruit, vegetables and provisions sent out this last fall from Ontario for the help of those people— almost eighty per cent of which came from my county of Huron?

Mr. GOTT: No. Mr. Speaker—

Mr. SPEAKER: Order.

Mr. McMILLAN (Huron): And we were proud to come to their succour with this gift, for which we charged not a cent. When it comes to providing out of the federal chest by the government of Canada, or in other words through the whole of the people of Canada, they compel these farmers to sign promissory notes. Just picture the situation. Here are 50,000 farmers who have lost their all; yet, sir, they are compelled to sign promissory notes. An election comes on. Suppose I am in the field as a candidate. All I need to do is to send my emissaries all over that section of the country and warn these people of the obligation which hangs over their heads, telling them that they had better realize on which side their bread may be buttered. This is one of the most detestable stipulations which it is possible to think of. These promissory notes ought to be cancelled at once. It is one of the most detestable tricks which any administration could be guilty of, and so far as my voice would carry, I would stand here to Domesday to insist that the government withdraw that stipulation. I appeal to the better judgment of every hon. member of this house. I know there are many hon. members sitting across the floor, men who are honestly inclined, who in the ordinary affairs of life would not think of stooping to anything of a questionable nature. Why can we not for once in our lives stand shoulder to shoulder and insist that this government shall at once relieve these people of any such promissory notes?

Mr. SPEAKER: The hon. member has spoken twenty minutes.

Mr. McMILLAN (Huron): Thank you. Interruptions constitute the argument, Mr. Speaker, which we always get from Tories who have not a case.

Mr. WILFRID GIROUARD (Drummond-Arthabaska) (Translation): I have followed closely the debate on this resolution and I cannot conceal my astonishment in seeing the government showing such obstinacy and stubborness in adhering to a policy so devoid of results. All those who think rationally over the true state of affairs in this country cannot help but acknowledge that, up to the present, the government has followed a policy of groping in the dark which is disastrous to business as a whole. It is, therefore, not surprising that it is unable, to-day, to give one sound reason to justify this resolution. It must again resort to force by applying the closure and, for my part I would not be fulfilling my duty towards my constituents were I not to protest on their behalf against such an arbitrary measure.

Many good reasons militate against our endorsing this resolution, and I think it should be rejected because it tends to place especially in the hands of the Prime Minister (Mr. Bennett) a weapon which enables him to uphold a dictatorship in a constitutional country. The Act which this resolution purports to revive is not in keeping with the needs of the people, it has been a complete failure, especially as regards the interests of the farming class. I am further strongly opposed to this resolution because to prolong a measure which has given rise to such gross abuses would be, to some extent, placing our country defenceless under a despotic regime; moreover its enactment would always be a threat concealed, if you wish, but nevertheless a real one, to the maintenance of peace, order and good government.

The act to relieve unemployment and the farming class was adopted at the end of last session. The resolution which preceded it, being moved on July 29, 1931, was intituled: "Power to deal with the agricultural distress and labour situation." That is, sir, a year after assuming power the government is forced to admit, notwithstanding the remedy which it boasted of having alone the prescription and which was to cure all ills, that the situation in Canada, from the unemployment viewpoint, is very serious and that farming is very much depressed. However, the previous year, in 1930, the Prime Minister had travelled through the provinces stating from town to town that his party alone had a policy, the beneficent and immediate results of which were to bring back prosperity to the farming classes and end what he then termed the plague of unemployment. A year elapsed after these fine speeches were made, and the Prime Minister, in 1931, was obliged to ask the house to adopt measures to relieve unemployment and the farming classes. This authority was granted to him. He has now been in power for two years and to-day we are entitled to ask him what results he obtained from this Act. We must judge of

the measure which he has had enacted by its results. If it has not produced the benefits expected we have a right to oppose a similar measure. Did the Unemployment Relief Act put an end to unemployment? We are fully aware that those who have no work in this country are more numerous than ever. Has the agricultural distress, to which the Prime Minister pointed in 1931, been alleviated? Never have the farming classes shown such discouragement as they do, to-day. Therefore, if this act has not borne any fruit, if it has not proved an effective remedy, why does the Prime Minister insist that it should remain in the statutes? He has now been in power for two years; it seems to me that we were entitled to expect, at the outset of the session, that the government would introduce in the House a measure which would result in relieving the unemployed and the Canadian farmer. Either the government have made no effort to realize the situation, or if they have done so, they have not sought earnestly the means to improve it or studied the problems with which the country is faced, and that is why, after two years of administration, the Prime Minister is obliged to come before parliament without any remedy to the situation which he was to solve on his assuming power.

However, we have already seen that the actual reason for this resolution is not solely the need for funds, because the Liberal party more than once have stated that they were willing to vote the required money, not only until May—as the Prime Minister requests—but a sufficient amount to last for a year if necessary. The government thought fit to refuse this offer. It was not accepted because they wished to again enjoy the arbitrary powers which the provisions of sections 3 and 4 of the act conferred upon them. These sections authorize the governor in council—that is the Prime Minister—to pass, notwithstanding any act to the contrary, the measure which they may deem necessary for peace, order and good government.

I respectfully submit, sir, that to grant such powers would be equivalent to parliament, of which we form part, surrendering absolutely rights which were dearly conquered; it would amount to proving ourselves traitors to those who obtained self-government, and, especially, it would be making the Prime Minister a dictator, he who assumed power by means of false representations made in all the provinces and who, to-day, seeks to remain in authority by force.

The Prime Minister in the course of his speech, last Wednesday, disclosed, I think, his true nature when he spoke of the delegation of unemployed which came to Ottawa on March 3, 1932, and which included people from all provinces of Canada. After having reported and attempted to justify the reception he gave to this delegation, the Prime Minister expressed himself as follows:

> Now, I put it to the house and to this country as to whether or not we do not owe at least that duty to every man, woman or child in Canada. Who would do less than to take adequate precautions for the purpose of preventing a mad charge upon this chamber, at three o'clock for the purpose of enabling people to express their opinions?

Mr. CASGRAIN (Translation): He made them mad.

Mr. GIROUARD (Translation): I do not think that such a speech is worthy of a Prime Minister. This, perhaps, is a proof that he is endowed with a great imagination, but it also shows his fears when meeting those who, peacefully, come to parliament seeking work promised by the Prime Minister. In preference to the views expressed by the Prime Minister, I would rather listen to those of a Conservative newspaper, "The Ottawa Journal" which commenting on the government's policy and the Prime Minister's attitude, stated in its editorial page of March 4, 1932:

> The scene on Parliament Hill yesterday was one that no British citizen could view with pride. The task of a government is to govern. But while under certain circumstances performance of that duty may compel the use of force, there is little but revelation of timidity and panic in the sort of thing that was flaunted in the face of Ottawa yesterday. These things were not a revelation of strength: they were a revelation of fear. Strong government is required—sometimes. But there is a difference between strength and hysteria. And it was the latter that Ottawa saw yesterday. Unnecessary fear.

Here is a newspaper supporting this government which condemns in no uncertain terms the way people in this country are received at the gates of parliament, when they come to ask the Prime Minister to fulfil his pledges of 1930.

However, the Prime Minister, in the course of his remarks, went further, and I wonder if, on this occasion, he did not really disclose what was at the bottom of his heart when speaking about section 4 of the Unemployment Relief Act which allows the government to take all the necessary measures, according to him, to maintain order. The following are the views expressed by the Prime Minister:

> I would not ask this power from any parliament except reluctantly, and I so stated when I introduced the resolution the other day. But, sir, after this discussion between my colleagues

and myself, and taking into consideration the views expressed to us by others who look at the matter dispassiontely and from the outside, dare we as a government, charged with tremendous responsibility in this emergency of caring for this dominion to do the best of our ability, be without that power? We have said no.

And the Prime Minister adds further on:

What is a man without a weapon in the midst of armed force? What is a man who has no instrument for his protection in the midst of the strife of brigands?

I think, sir, that these few remarks make it clear why the Prime Minister wishes to have this resolution adopted. But before placing a weapon in the hands of the Prime Minister, we have the duty to put to him three questions: Why the need of this weapon? Does the present state of affairs in this country warrant granting such a request? Against whom will this weapon be turned if parliament grants him what he wishes? In other words, what has the Prime Minister of Canada to fear?

I really wonder whether the Prime Minister has not begun to realize that his 1930 campaign, which consisted in depicting with gruesome colours the situation, by exaggerating unemployment and the distress which may have existed, and in stating that should he assume power he would adopt a policy which would immediately bring back prosperity, had given rise to hopes which vanished but nevertheless, left among our people a feeling of deception which was more bitter and cruel among those who had reposed their trust in his pledges. He wished, in 1930, to sow the wind, but he fears to-day to reap the whirlwind. I state, sir, that if the Prime Minister and his colleagues fear that their policy is the cause of so much discontent in this country, not only should we not authorize them to do what they please on behalf of peace and order but it is our duty to let them know that they are to blame for this discontent and that their presence at the head of the administration is a challenge to the maintenance of peace, order and good government in this country. Like all who claim exorbitant powers, and follow only their whims and fancies, the Prime Minister imagined that he had but to raise his voice to have this resolution adopted. Had he given it a thought he would have understood that the Liberal members could never consent to approve a measure which despoils them of their parliamentary rights. He would have realized that notwithstanding all the coercive means at his disposal and the closure which he now applies, the Liberal party will expose before the people the loathsome character of this measure.

There is another point to which I want to draw the attention of the house. The government by virtue of this act has passed laws on many questions: they have, however, neglected the Canadian farmer; they seem to have ignored him entirely. Last year, when the government granted to the western farmers a rebate of five cents per bushel of wheat, we asked that the same favour, the same bonus be given to those in the east who were in the dairy industry. They refused. We again make the same request this year. The budget has not been brought down yet, therefore the government can still meet our request. The Quebec farmer—I trust the Conservative members of that province, who hear me, will join us in making this request—the Quebec farmer as well, I stated, requests the Prime Minister to cease dabbling solely in high finance and to introduce measures which will improve the situation. The Unemployment Relief Act, as its title indicates, was adopted to help those out of work and endeavour to relieve the distress of the farming class. Rather than apply this act where it was needed most, the government made use of it to amend the Bank Act. Instead of having an order in council passed to amend the Bank Act, would it not have been preferable to amend the Farm Loan Act?

Some hon. MEMBERS (Translation): Hear, hear!

Mr. GIROUARD (Translation): All farmers in the east want to see this act amended, they wish to look forward to some improvement. I received, recently, from the "Union Catholique des Cultivateurs de Quebec, Inc." —many members of which are to be found in my constituency—a letter dated March 18, 1932, and signed by the president of that association. The following are a few extracts from this letter:

We believe that our farmers deserve the support of the Dominion government just as much as those of the western provinces to whom was granted a rebate of 5 cents per bushel of wheat for export purposes. Farm loans proportionate to the needs of our farmers are urgently needed. It would be necessary therefore that the loans be 50 per cent of the value of the property, landed property and buildings and that the borrowers be not held to subscribe to the association funds.

Further on the letter states:

The "Union Catholique des Cultivateurs" at three different meetings, adopted a resolution to request that the Bankruptcy Act be so amended as to exclude from its provisions the farmers and settlers whose credit it destroys.

Mr. OSCAR L. BOULANGER (Bellechasse) (Translation): I wish to take this opportunity to participate, once more, in this debate so as to complete the remarks which I made

the other day with reference to the failure of this act, so far as the farmers I represent are interested, and which we are now called upon to revive. However, previous to broaching my subject, I wish to discuss an attempt made by the Prime Minister to patch up the present debate. In the course of his speech last Wednesday, the Prime Minister contended that the fighting spirit shown by the Liberal members in the house was simply that of poor losers, that it was out of spite and disappointment for having lost the election that the opposition opposed the renewal of this act, which is designated as the "blank cheque act." I protest against this statement of the Prime Minister and his attempt to qualify this debate as a pitiful one. If we have taken up this struggle, it is because there is a principle involved, and I cannot admit that a question of principle is beyond the comprehension of the Prime Minister and his followers. If there are poor losers in this house, if there are members who took advantage of this debate to vent their spite and disappointment, they certainly are our hon. friends the Conservative members from Quebec.

In the course of this debate they rehearsed the wrangling of the Quebec election—which took place last August—they reenacted the comedy of wholesale election contestations and referred to the Dillon Act. To sum up they took advantage of this debate to throw mud at their province—

Mr. DORION (Translation): It is soiled enough, under the present regime.

Mr. BOULANGER (Translation): —they took advantage of this debate to vent their anger and disappointment upon their fellow-citizens. I protest against this—

Mr. DORION (Translation): I rise to a point of order.

Mr. BOULANGER (Translation): —disgraceful conduct, not to say disgusting, of these hon. gentlemen.

Mr. DORION (Translation): Mr. Speaker, the hon. member has no right to characterize as he has just done, the conduct of hon. members on this side of the house. I ask him to withdraw those words.

Mr. BOULANGER (Translation): First, I should like to know what are the words to which the hon. member takes exception. As long as he does not mention them, I cannot withdraw anything.

Mr. DORION (Translation): Carry on.

[Mr. Boulanger.]

Mr. BOULANGER (Translation): We, the members from Quebec, form a small group; we belong to and represent a minority in this house, and the whole country have their eyes on us. I think therefore that it is a disgraceful spectacle to witness members from Quebec attack and cry down their province.

Mr. LAFLECHE (Translation): It is Mr. Taschereau who is attacked.

Mr. BOULANGER (Translation): Let us speak about Mr. Taschereau. If Quebec is the only province which the Dominion government is not obliged to feed on the bottle, it is thanks to the administration of Mr. Taschereau.

Mr. LAFLECHE (Translation): I think that the Quebec government feeds more "on the bottle" than any other!

Mr. BOULANGER (Translation): If there is a province whose finances are well balanced and has resisted the present crisis better than any other in the Dominion; if there is a province which does not need the financial aid of the Dominion government; if there is a province which is not under the guardianship, domination and control of the Dominion government, it is certainly the province of Quebec.

Mr. LAFLECHE (Translation): Why has it a deficit of $16,000,000?

Mr. BOULANGER (Translation): After having registered this protest, I wish to return to the remarks that I intended to make at the outset of my speech.

Mr. DORION (Translation): Taschereau will have a kindly feeling towards you from now on.

Mr. BOULANGER (Translation): I do not need Mr. Taschereau's love to be elected in my constituency.

An hon. MEMBER: That is an easy task, in such a constituency.

Mr. DORION (Translation): Bourassa was defeated in your county.

Mr. BOULANGER (Translation): I have enough conceit to believe that I was elected on my merits, and the hon. member for Quebec-Montmorency is, perhaps, not able to say as much. My statements are made not to please Mr. Taschereau, but because they are facts.

The act which we are asked to extend is intituled: "Unemployment and Farm Relief Act," it has been a complete failure so far as farming is concerned. The Quebec farmers

received no benefit or advantages from this measure which was enacted to relieve them. Not only this measure did not benefit the farmers and agriculture, but the government, which asks us now to revive this act, which was intended—

Mr. DORION (Translation): This is Easter time.

Mr. BOULANGER (Translation): —to be in the interest of the farming class, cuts down the estimates of agriculture by one-third.

Mr. DORION (Translation): This is Easter time, resurrection time.

Mr. BOULANGER (Translation): The estimates of agriculture were decreased by $3,000,000. When it is a matter of helping agriculture and the farming classes, one does not begin by cutting down the ordinary estimates affected to agriculture. If these estimates had not been decreased by $3,000,000 this year; if the same amount were to be expended as in preceding years to maintain the technical and ordinary staff of the Department of Agriculture, and to distribute the grants which agriculture usually receives from the Dominion government, it strikes me that it would be unnecessary to introduce a special measure to relieve agriculture.

Mr. DORION (Translation): Will the hon. member allow me a question?

Mr. BOULANGER (Translation): With pleasure.

Mr. DORION (Translation): Does the hon. member contend that, under the present régime, the Department of Agriculture contributes less to the province of Quebec than in the past?

Mr. BOULANGER (Translation): Certainly. In the budget provisions of this year the total estimates of the Department of Agriculture are reduced by $3,000,000, that is to say one-third. It therefore follows that the amounts to be expended this year in Quebec will equally be reduced by one-third.

Mr. DORION (Translation): With what year are you making your comparison?

Mr. BOULANGER (Translation): With last year.

Mr. DORION (Translation): Compare your estimates with those of two or three years ago.

Mr. BOULANGER (Translation): There is a cut of one-third compared with last year. It is ridiculous to ask us to adopt a measure to relieve the farming class when, on the other hand, the estimates of the Department of Agriculture are reduced by $3,000,000.

Mr. DORION (Translation): The estimates are similar to those of your party when it was in power.

Mr. DENIS (Translation): Do try and understand!

Mr. BOULANGER (Translation): There exists a Chinese proverb which says that agriculture is the foundation of the economic system of a nation. The economic system of the nation is compared to a tree whose roots represent agriculture; the branches, industry; the leaves, trade.

Mr. DORION (Translation): What becomes of this tree in winter?

Mr. BOULANGER (Translation): When the roots are diseased, the branches dry up and the leaves fall. In order that the tree may remain vigorous and strong, the roots must be kept healthy. That is why we criticize the policy of the government who instead of looking after the roots which gives life to the whole tree, busy themselves with the leaves and branches.

Mr. DORION (Translation): This is the time to notch the trees.

Mr. BOULANGER (Translation): In times of crisis as we are passing through, the government should first concern themselves with the main industry, the one which is the foundation of prosperity and the economic system of a nation: Agriculture. Instead of cutting down the agricultural estimates, this year, they should have increased them. Instead of dismissing the employees of the Department of Agriculture and technical men who help in fostering agricultural science, thus rendering a service to the farmers, the government should have enlarged the staff, increased the estimates and concentrated their efforts to make a success of farming, because the farmers belong to the most numerous class, they are the purchasers, the consumers. If one wishes to relieve the crisis the lot of the most numerous class must first be improved, the lot of the purchasing class.

Mr. DORION (Translation): That is why Taschereau cuts down the estimates of Agriculture.

Mr. BOULANGER (Translation): When farmers are well provided for, industry and trade will be prosperous, because, again, they are the most numerous class, the purchasers and consumers.

Mr. ST-PERE (Translation): Hear, hear!

Mr. BOULANGER (Translation): If one wishes to relieve distress, the lot of the most numerous class must be improved and its purchasing power increased. This class is that of the farmer. When the farmers buy, everybody will be prosperous; when the farmers have money, industry will be doing well and trade flourishing.

Some hon. MEMBERS (Translation): Hear, hear!

Mr. BOULANGER (Translation): I heard recently that the hon. Minister of Agriculture (Mr. Weir) intended to dismiss a number of technical men whose occupation is live stock breeding. I have here a resolution adopted by the association of live stock breeders which I trust I may be allowed to read to the house. This resolution reads as follows:

Resolution adopted by the board of directors of the Live Stock Breeders' Association of the province of Quebec as well as by the executive committee of breeders of Canadian cattle, sheep, pigs and horses of the province of Quebec, at their meetings, held at the Queen's hotel, Montreal, on Tuesday, March 15, 1932.

Whereas the live stock breeders have been informed that the hon. Minister of Agriculture, at Ottawa, intends to dismiss a certain number of technical men employed in the Dominion branch of the live stock industry;

Whereas considerable and very necessary work was undertaken and is at present under the supervision of these experts, in our province;

Whereas the live stock breeders of Quebec made investments in certain enterprises in connection with live stock breeding, because they had a right to expect that the cooperation of these experts would be continued, so as to bring such enterprises to a successful issue;

Whereas numerous breeders would undergo considerable losses by the fact of being deprived of these experts;

Whereas by the dismissal of these experts the Department of Agriculture cannot carry out its policy of encouraging the service of good sires.

An hon. MEMBER (Translation): A Bull policy!

Whereas a large number of live stock breeders have made sacrifices with the view of assisting the Department of Agriculture by providing and maintaining among their cattle excellent bulls so as to sell them to live stock breeders who were anxious to take advantage of the loan and bonus policy to encourage the purchase of sires and that a large number of them will remain unsold if the Department of Agriculture does not carry out their policy.

Whereas the Canadian Live Stock Breeders' Association find that it is inadvisable to discontinue the work of inspection in connection with the registration of cattle, which is in charge of Mr. Robert Marcotte, B.L.A.

Whereas Mr. Alfred Cavanagh is the only bilingual agricultural expert who is employed in the office of Mr. C. S. Wood of the Dominion Branch of Live Stock Industry.

It is therefore moved by Mr. L. P. Villemaire, seconded by Mr. Damien Coulombe and unanimously carried: That a request be forwarded to the hon. Minister of Agriculture, at Ottawa, praying him to kindly continue granting us the services of Messrs. Robert Marcotte and Alfred Cavanagh as well as the services of all other experts which are in the employ of the Dominion Branch of Live Stock Industry in the province of Quebec.

(Signed) Andrea St. Pierre. sec.,
General Stock Breeders' Association.

The other resolution, sir, reads as follows:

Resolution adopted at the general meeting of the members of the Live Stock Breeders' Association of the province of Quebec, held at the city hall in Quebec, Wednesday, February 24, 1932.

The secretary having read to the meeting the last letter received from the commissioner of Live Stock Industry Branch of the Department of Agriculture, at Ottawa, informing them that in the future the department would discontinue the grants made in the past to the exhibitions of class "A", as well as the grants given as special prizes for the winter fairs, the meeting express their regrets that such a decision has been arrived at.

It is moved by Mr. Frank Byrne, seconded by Mr. Ernest Sylvestre, and unanimously adopted:

That the association through its secretary, request the hon. Minister of Agriculture, at Ottawa, to kindly grant to our exhibitions at Quebec, Sherbrooke, Three Rivers, Valleyfield and Ormstown, the same grants which they received in the past, and that a copy of this resolution be also forwarded to our federal representatives.

(Signed)
Andrea St. Pierre, sec.,
General Stock Breeders' Association.

An hon. MEMBER (Translation): It is useless.

Mr. BOULANGER (Translation): I shall again ask my friend, the hon. member for Quebec-Montmorency (Mr. Dorion) instead of bewailing, in the house, over the results of the Quebec provincial election, to kindly give us his support in our request to the government to continue the services of these agricultural experts and also continue the grants to the agricultural fairs.

By giving us this support, he would be doing far more useful work than belittling his province and making use of the House of Commons to wash Quebec's soiled clothes.

Mr. DORION (Translation): The clothes are so soiled that they are unwashable.

Mr. BOULANGER (Translation): Another thing which my hon. friend from Quebec-Montmorency, who unceasingly interrupts me, could do, would be to help the Quebec and New Brunswick farmers who are requesting the government to negotiate a reciprocal trade

treaty with Cuba so as to sell their potatoes and other farm products on the markets of that country.

Mr. ST. PERE (Translation): Hear, hear!

Mr. BOULANGER (Translation): In the lower part of Quebec, in the counties of Rimouski and Matane, for instance, potato growing was once an important industry; the farmers got good returns which allowed them to live in comfort. Now, owing to the poor prices which potatoes fetch, the farmers' returns are not sufficient to cover the expenses of growing them, and on account of this situation, the Quebec farmers are in a sad plight. Assistance should be given to the farmers of that part of Quebec and the Quebec Conservative members...

Mr. DENIS (Translation): The members "by accident".

Mr. BOULANGER (Translation): ...especially those who here represent the farmers, should join us in our request that the government should find markets for the Quebec potato crop as well as for our other farm products.

Mr. Speaker, instead of doing that, instead of helping us to serve the best interests of the farmers that we are representing here, our Conservative friends, in the course of this discussion, went so far as to revive the old question of conscription, which is defunct, even more so than chapter 58 of the statutes of 1931, the very act we are asked to restore to life. Seeing how fond they are of talking about conscription, why do they not suggest to the government to conscript wealth? According to the Prime Minister, the crisis was not as serious during the war as it is now; still conscription was established at that time. It was a conscription of blood. It was then "our war," the war of the common people,

> . . . . nous, les petits, les sans-grades
> Que allions pied nus, transis et malades,

. . . as it is described in L'Aiglon.

Mr. DORION (Translation): The old story!

Mr. BOULANGER (Translation): During that period, our great financiers, our purveyors of bacon and military equipment were growing rich, while the common people, the rank and file were sent to the shambles.

Now we have another war, we are going through a crisis which is said to be far more serious than that of 1914-18; it is "their" war, the war of the financiers, brought about by their own blunders and more particularly by their own cupidity. Since it is "their" war, let them bear its consequences and obligations, let them make now the same sacrifices as they asked us to make between 1914 and 1918.

Some hon. MEMBERS (Translation): Hear, hear.

Mr. JOSEPH THAUVETTE (Vaudreuil-Soulanges) (Translation): Mr. Speaker, I think I would not be doing my duty as a representative of the people of Canada and more particularly of the people of my own constituency if I did not take part in this discussion, in order to protest on their behalf against this motion which we have been discussing for several days past.

In order to justify my opposition to this measure and to grasp the import of this resolution, it is necessary for me to consider its very terms, the time at which it was submitted to us and the constitutional results its adoption might bring about. These various considerations offer, to my mind, a wide field for discussion. So far as I am concerned, during the few minutes at my disposal, I cannot give this question all the attention its importance calls for. Most valuable suggestions have already been made by hon. members from this side of the house; therefore, I shall not try to rise to the plane of those experienced parliamentarians and prudent economists. With your permission, Mr. Speaker, I shall only express my humble opinion and that will take me only a few minutes.

First, let us see what the resolution says:

> That it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor.

Apparently the changing of the word "March" into "May" is not in itself a difficult operation.

Mr. DORION (Translation): No need of a surgeon.

Mr. THAUVETTE (Translation): To find the reason why, we must refer to the act itself, which is chapter 58 of the statutes of Canada, 2nd session.

Mr. ST-PERE (Translation): Et nunc erudimini!

Mr. THAUVETTE (Translation): The act says:

> Whereas by reason of the continuing world-wide economic depression there exists in many parts of Canada a serious state of unemployment and distress;

That was on August 3, 1931.

> . . . . .and whereas the partial failure of the wheat crop of western Canada. . . .

Mr. DORION (Translation): That is a good book you have there.

Mr. THAUVETTE (Translation):

. . . .has intensified the adverse economic conditions theretofore prevailing.. . . .

Those are the first words of the act. I pause here...

An hon. MEMBER (Translation): You may well pause.

Mr. THAUVETTE (Translation): ...to call your attention to the inconsistency between the attitude of the government at that time and the stand they took during the 1930 campaign. The leader of the opposition, who is now the Prime Minister (Mr. Bennett), knew how to meet the situation, and that great doctor prescribed to the citizens of this country two remedies which could cure all their ills.

Mr. ST-PERE (Translation): O doctor optime!

Mr. THAUVETTE (Translation): There is not one hon. member who did not hear or read in the press the statements made at that time by the present Prime Minister throughout the country. The voters were deceived by those promises. The people tried this new saviour, and the great healer became prime minister of this Dominion. He tested his universal remedies: a grant of $20,000,000 and the upsetting of the tariff along the lines of high protection.

What was the position of the country after the first year of this administration? It is clearly expressed in the preamble of that very same act which was sanctioned on August 3, 1931.

Let us now consider what was the financial condition of our western friends at that time. On that subject I shall take the opinion expressed by the Prime Minister himself, at the beginning of the 1931 session, as reported in Hansard, page 779. Answering the unceasing requests of our western friends who described their distressing condition, the Prime Minister said:

Let us see if the west is as badly off as some hon. gentlemen would have us believe. I took the trouble to obtain from the Bureau of Statistics some information with respect to the conditions prevailing in western Canada. I had first-hand information, but the figures disclose that during the years 1928, 1929 and 1930 the gross agricultural revenue—it is estimated partly for this year—from the three prairie provinces amounted to the enormous sum of $1,900,000,000. This was new wealth produced in Manitoba, Saskatchewan and Alberta from field and farm crops, farm animals, wool, dairy products, fruits, vegetables, poultry, eggs, fur farming, clover and grass seed and honey.

[Mr. Thauvette.]

During the same period there was produced a vast quantity of mineral wealth. It must be remembered that the application of capital and labour to these natural resources is responsible for this new wealth. The great mining areas in the three western provinces produced during the last three years the vast sums of over $100,000,000. Thus we have the gigantic total of over two billion dollars of new wealth produced in three years—

That is under the King government.

—by less than two million people in the three western provinces of Canada. That is something of which any people might well be proud and it ill behooves the representatives of these people to have it sent abroad to other parts of the world that this country is worn out and in a bankrupt condition.

Those were the words uttered by the right hon. Prime Minister in 1931. He therefore admitted that in 1928, 1929 and 1930, the western provinces had made a great deal of money. Shortly afterwards he blamed the western farmers for having too many automobiles, stating that millions of dollars had been squandered in the purchase of those cars. He thought that the people of the western provinces were not as unhappy as they thought they were, and I would have been inclined to believe it, had I relied upon his statements.

The hon. member of Last Mountain (Mr. Butcher) replied to the right hon. Prime Minister. I shall quote some of his remarks which are reported in Hansard of 1931, page 1336. After endeavouring to attenuate the exaggerated account of the Prime Minister concerning the comfort prevailing in the western provinces, the hon. member explained that there were some automobiles in the west, but that the farmers of those districts, are not any more than the eastern farmers, bound to walk to church or to their business places and that the motor car was to-day a necessity. He showed that motor cars do not cost any more to the western farmers than to the people of other provinces, and he added:

The next statement which the right hon. the Prime Minister made is also irrefutable, namely, that there is a large number of cars in western Canada—261,778 in the three prairie provinces, to be exact. I known that the right hon. gentleman merely stated a fact. I do not believe that he intended any implication, but I gathered from the response that his statement met with from his followers, that there was a certain implication in the minds of many of them. It is rather remarkable that since I have been here in the east I have had on several occasions the suggestion made to me that the farmers of the west have been very extravagant. It has been suggested that they have bought too many cars and other things, like radios. There is one thought that comes to my mind in that connection. Who is more entitled to own a car than the farmer? Who can use a car

more profitably than the farmer? The car has not only been a very profitable thing for the farmer to have, but I will tell you what it has done for the farmers' wives of the western prairies. It has made life far brighter for the women of the prairies and for the children. Before the advent of the car it was rare experience, for the hard-working wife of the hard-working farmer to have an outing. Many a farmer, having worked the whole day, and working six days a week, puts his horses away at night. Perhaps on Sunday he would hitch up his team and take his wife and children to church. That was about the limit of the outings the wife and children had. In these days things are different and the car is used to give a little pleasure to farmers' wives and children. I fear there is misconception in the minds of a great many people regarding the statement made concerning cars owned by farmers.

He followed the same line of argument for several minutes; he did not deny anything, but he corrected the facts as he knew them.

What must we infer from these different statements? I have come to the conclusion that the Prime Minister was misinformed as to the financial condition of the western farmers, as evidenced by the emergency measure, the famous blank cheque, which he saw fit to obtain from Parliament at the end of that very same session. And that is the act, defunct since March 1, 1932, that this government wishes to revive now.

The right hon. Prime Minister, at the beginning of the session of 1931—I quoted his words—would not admit that our friends, the western farmers, needed relief. He showed that they were wealthy and leading an easy life; however, just at the end of the session, he presented a bill stating that:

Whereas by reason of the continuing world-wide economic depression—

The depression was then world wide! It was not so in 1930.

—there exists in many parts of Canada a serious state of unemployment and distress; and whereas the partial failure of the wheat crop of western Canada has intensified the adverse economic conditions therefore prevailing;

Those words, Mr. Speaker, are a denial of the statements made by the Prime Minister at the beginning of the session, since at the end of that very same session he was obliged to ask the house for an amount which he would not or could not specify, for the relief of our western friends. Could you find a more flagrant inconsistency in the decisions of a public man, regarding the administration of this country?

If I make these few observations Mr. Speaker, it is not for the mere purpose of finding fault, but to justify the stand that I am taking now in raising my voice and protesting as strongly as I can against this resolution. Another reason why I should oppose this measure is that I regret to see, as I pointed out last year, that the government has done nothing to relieve the farmers of Ontario and Quebec. The farmers of my province are not yet reduced to a state of beggary, but they need markets to dispose of their surplus products. They would willingly accept a bonus to help in selling their dairy products, such as butter, milk and cheese. In that regard, I wish to renew the request made by the hon. member who preceded me (Mr. Girouard). Should the government not help the farmer to reduce the cost of production? They could easily do it by lowering the duties on farm implements.

Prices of farm products have been cut 50 per cent, at least in most cases. The farmers of my district cannot get any more than seven dollars a ton for number 1 hay. I noticed lately, during the Easter holidays, that a farmer was having some straw pressed which he would sell at $3 a ton, when it cost him $2 for the pressing and $2 more for the hauling. You will say that it would have been better for him to leave it alone, but the farmers of the province of Quebec, like the farmers of Ontario work twelve months a year on their farms and thus they are able to earn, not $2 a day, but enough to take care of their families and meet their obligations. Other farm products have been reduced in a like proportion. I would not like to lengthen unduly the list of farm products which are being sold at very low prices. After all, Mr. Speaker, to be convinced, one has but to look at the market price list which confirms my statements. But there is more than that. In several parishes of my constituency organizations for the control of dairy products are springing up. The object of these organizations is to help the farmers in improving their herds to increase the milk production. They are being set up under the supervision of federal and provincial inspectors. I understand that the services of these federal employees shall not be required after the 1st of April. If that be true, I regret that such a decision was made by the Department of Agriculture, because these organizations were very useful to the farmers.

I am wondering why hon. gentlemen work so hard to revive a dead legislation under pretence of helping the farmers, when, on the other hand, they cut down the appropriations to the department of Agriculture. Really, it is hard to understand the methods to which this government is resorting. Canada certainly will not recover its prosperity by such means.

Mr. Speaker, there is a sound principle of philosophy that says: "The end does not justify the means." We are fully agreed on the principle of this resolution; we are clamouring for the relief of the farmers. I shall further say that as long as the government does not lower its tariff walls in order to let other countries exchange their goods for the surplus of our farm products, there cannot be any prosperity in this country, specially among the farming class.

One must bear in mind that the large farming community comprises 53 per cent of the population of Canada. When the majority in a family is suffering and unhappy, it is easily understood that the other members cannot be cheerful. Let us bring prosperity to the farm because it is the fundamental industry in a country. It is an industry whose products are perishable. The farmer is not in the position of the manufacturer whose goods can wait on shelves or in storage for higher prices. He is governed by the law of supply and demand. Therefore, the duty of the Canadian government is to create a demand.

The ACTING SPEAKER (Mr. Cormier): The hon. member has spoken for 20 minutes.

Mr. E. R. E. CHEVRIER (Ottawa): The question before the house now, as moved by the right hon. the Prime Minister (Mr. Bennett) is that the debate shall be not further adjourned. In other words, the Prime Minister is invoking a rule of procedure which is now one of the rules of this house. Without going into its history, I submit that it is a rule that should be used only with the greatest discretion and only in times of absolute need. I say that, Mr. Speaker, because the reaction from the use of such a rule of procedure is bound to reach far beyond the precincts of this house. I submit that the time had not yet come when this rule should have been invoked. When this house rose on Wednesday last, out of 138 supporters of the government 18 had spoken, and there were therefore 120 government supporters who by some process of alchemy or otherwise had suddenly been stricken dumb. Probably the Prime Minister himself could explain why this was so. On this side of the house, out of 85 members, 61 had spoken, leaving about 24 still to speak, and this afternoon when the vote was taken, that number had been reduced probably to 15. We had, therefore, on this side of the house 15 more members who probably wanted to exercise their right of free speech, in addition to the 120 members on the other side who for reasons best known to themselves and the Prime Minister had decided not to speak. But there were at least 15 members on this side of the house who wanted to avail themselves of their privilege to speak on this issue.

The Minister of Agriculture (Mr. Weir) rose in his place on Wednesday last and moved that the question be now put, and the Prime Minister himself explained the reason why that had been done, that it was in anticipation of an amendment being moved to the resolution from this side of the house. Once more the Prime Minister's calculations fell by the wayside. He anticipated something that did not happen. What he should have done, I submit, was to wait until this debate had exhausted itself, until every member on this side of the house, at least, had had the opportunity of speaking on the resolution, and then having so spoken, the debate would have ended there, and if an amendment was moved, that might have been the time to apply the rule; or if all the members on this side of the house had spoken, the debate would have petered out. Then there would have been no reason to apply this rule of closure. However, the Prime Minister has seen fit to apply it, and he says he is quite content to do so. I leave it to the people of Canada, Mr. Speaker, to say whether they are content with such a practice.

The objects of this resolution I would divide under three heads: First, to prolong the provision for peace, order and good government as it appears in the preamble of chapter 58 of the statutes of Canada for the year 1931; secondly, that for those purposes, such moneys as may be necessary may be expended from the consolidated revenue fund, and thirdly to extend the time, March 1, 1932, mentioned in the statute to May 1, 1932. We are now debating a resolution concerning a statute which has been dead for twenty-nine days. That is no fault of ours, but arises because of the way in which the resolution was allowed to stand. Mr. Speaker, we did in 1931, submit to a vote for a certain amount of money, for the relief of unemployment. But in the same session of 1931 we objected to the principle, but were told that the words "peace, order and good government" were necessary. At page 4278 of Hansard for 1931 I find the following words of the right hon. Prime Minister:

> The measure provides for the maintenance of peace, order and good government in Canada. It is not for a moment to be thought that an insignificant number of strongly vocal persons shall be able so to affect the populace of this country as to make it impossible for us, in cooperation together as Canadians, to work out our destiny.

That was the reason why the Prime Minister wanted those words inserted. He referred to "strongly vocal persons." At page 1412 of Hansard for 1932 we find the Prime Minister stating:

We increased the number of police. . . .

And

They were tear bombs. . . .

At page 1413 he is recorded as follows:

The commissioner of police placed fifty policemen about these buildings—fifty.

He went on to state that twenty carried revolvers and thirty were mounted, carrying batons. That is what the Prime Minister has stated was done. Then at page 4439 of Hansard for the year 1931 we find the Minister of Justice (Mr. Guthrie) reported as follows:

If the bill is not founded upon the theory that it is necessary to maintain peace, order and good government in Canada, then parliament would have no authority to pass it.

Without these words the bill in the form in which it is enacted into law might be set aside when challenged in the courts. . . . They were placed in the bill as the foundation of our authority to pass such an enactment. . . . They are merely a declaration to give us jurisdiction which we know we have under the circumstances, but of which we want to be sure.

There is the reason given last year. It would seem that those words were inserted in order to be sure that the government's action was proper.

Referring to page 1419 of Hansard for the year 1932, we find that because of those words, and despite the fact that they were used merely as a declaration to give jurisdiction, the government amended the Bank Act, valued securities of insurance companies, prohibited the export of gold, and increased the mounted police. In addition, the government have taken a multiplicity of actions, although we had the assurance last year from the Minister of Justice now sitting in his place, and from the Prime Minister, that those words were placed in the act merely to take care of strongly vocal people. The Minister of Justice took the ground that the words were inserted purely and simply to make the bill constitutional.

Now however they want a renewal. They want to revive their dead plans and amend this dead statute. At page 4279 of Hansard for the year 1931 the Prime Minister is recorded as follows:

I will say frankly to the house that in asking what euphemistically is spoken of as a "blank cheque," we are not unmindful that we are asking very considerable from this House of Commons.

Of course they were. Then, at page 1414 of Hansard of 1932 the Prime Minister is reported as follows:

I would not ask this power from any parliament except reluctantly. . . .

Of course he would not, because the right hon. gentleman is not unmindful of the fact that he is asking for something which is absolutely unconstitutional. He knows what that will mean, and how it will affect the fundamental principles of responsible government. He knows he is undermining the very base of constitutional and responsible government. Both he and the Minister of Justice know that the cases cited bear no relation whatever to the matter under discussion. The Prime Minister has placed cases before hon. members in an attempt to show that the proposed measure is constitutional, and he has objected to the fact that minorities have had something to say. I am sorry I have not time to deal with the subject of minority rights, but to my mind they are highly important. The right hon. gentleman has expressed his surprise and astonishment that under certain conditions we would let this resolution go through. The right hon. gentleman simply flouted our offer in our faces, and said, "What? Must we submit to the wishes of a minority?"

I want hon. members to realize that the procedure under the resolution now before us is not proper. The Prime Minister and the Minister of Justice know that we cannot amend the statute. I challenge the Minister of Justice, with his reputation as a lawyer of eminent standing, to say that the amendment of a dead statute is within the competency of parliament or any other body. That is what we are called upon to do. Had we been in a position to continue this debate another ten days I think we would have shown conclusively that the Prime Minister is wrong. He has retraced his steps considerably by stating that now he wishes to revive the statute, to resuscitate the statute, to put new life ino it, to reenact it. He has changed his wording, and it would seem that now he does not seek to amend the statute.

I have endeavoured to show that the present procedure is absolutely unconstitutional. I have been unable to find an authority exactly in point because in British parliaments no such procedure has been attempted. When statutes such as the one enacted last year have been passed, they have passed voluntarily; all parties in the house have agreed. There was however a case in the year 1917 which went before the privy

council. I refer to Ottawa Separate School Trustees vs. Ottawa Corporation. The head note explains that the school trustees refused to obey certain dispositions of the school law, and when the Ontario legislature decided to create a commission to administer the schools injunction proceedings were taken, and the action finally went before the privy council. There and then the privy council held that this commission was ultra vires of the legislature in that it had taken away the rights of the electors to the duly elected commission that was administering their schools. All through we have been told: This procedure is quite in order because we will not make use of the powers which will be given to us. I am sorry, sir, that time does not allow me to place before the house the full judgment delivered by Lord Buckmaster; I must content myself by quoting a few excerpts from it. The judgment will be found in 1917 Appeal Cases at page 81. Lord Buckmaster states:

> The case before their Lordships is not that of a mere interference with a right or privilege, but of a provision which enables it to be withdrawn in toto for an indefinite time. Their Lordships have no doubt that the power so given would be exercised with wisdom and moderation,—

I want the hon. Minister of Justice (Mr. Guthrie) to listen to this:

> —but it is the creation of the power and not its exercise that is subject to objection, and the objection would not be removed even though the powers conferred were never exercised at all. To give authority to withdraw a right or privilege under these conditions necessarily operates to the prejudice of the class of persons affected by the withdrawal.

It is on all fours with this particular situation —the rights of parliament are being taken away and are being conferred upon the governor in council.

Now, Mr. Speaker, we are called upon, in order to grant the wishes of the Prime Minister, to amend this dead statute. Those who have spoken for the government have not touched upon that aspect of the situation at all; they have simply said that no damage has been done, that we could not place our finger on anything that was wrong. That does not make the principle of this proposal right. When the hon. Minister of Trade and Commerce (Mr. Stevens) waxed eloquent about this particular subject he reminded me very much of Bassanio in the Merchant of Venice:

> And I beseech you,
> Wrest once the law to your authority:
> To do a great right, do a little wrong.

[Mr. Chevrier.]

I thought that probably he would continue along that line, but I find he did not. We have told the Prime Minister he is wrong, but he insists on being right.

> There is no power in the tongue of man
> To alter me: I stay here on my bond.

There is Shylock! Then there is this other passage:

> The pound of flesh, which I demand of him,
> Is dearly bought: 'tis mine and I will have it.
> If you deny me, fie upon your law!
> There is no force in the decrees of Venice.
> I stand for judgment: answer; shall I have it?

Here is the answer—closure. Here is the Prime Minister's dead statute and here is Shylock.

> You'll ask me, why I rather choose to have
> A weight of carrion-flesh than to receive
> Three thousand ducats: I'll not answer that:
> But say, it is my humour: is it answered? . . .
> So can I give no reason, nor I will not,
> More than a lodged hate and a certain loathing
> I bear Antonio, that I follow thus
> A losing suit against him. Are you answer'd?

But, sir, I am convinced that the people will be satisfied with the stand we have taken. Evidently the Prime Minister, having made up his mind, will never change it. Allow me to give the house this appropriate quotation from the same play:

> You may as well go stand upon the beach,
> And bid the main flood bate his usual height;
> You may as well use question with the wolf,
> Why he hath made the ewe bleat for the lamb;
> You may as well forbid the mountain pines
> To wag their high tops, and to make no noise,
> When they are fretten with the gusts of heaven;
> You may as well do any thing most hard,
> As seek to soften that—than which what's harder?—
> His "own stubbornness": therefore, I do beseech you,
> Make no more offers, use no further means,
> But with all brief and plain conveniency
> Let "us" have judgment and "the Prime Minister" his will—

And the Prime Minister is equally insistent for judgment. In this connection these words of the great Macaulay come to my mind; they occur in his essay on Hallam's Constitutional History:

> A statesman ought to pay assiduous worship to Nemesis, to be most apprehensive when he is at the height of his power and popularity, and to dread his opposition most when he considers that party most completely prostrated.

Then I quote these words from Proverbs; they are carved over the windows of the Tower:

> Where there is no vision, the people perish.

There are some other words that should be engraved over the door of the privy council office and over the door of the Prime Minister's sumptuous apartments, and they should be taken very much to heart by the Prime Minister; I quote them:

He, that being reproved, hardeneth his neck, shall suddenly be destroyed, and that without remedy.

We have been reproving him for some time, his neck has become stiffer and stiffer, and redder and redder. Let him repeat those words to himself daily and hourly "lest he perish."

Mr. PAUL MERCIER (St. Henry) (Translation): Mr. Speaker, I now rise to take part in this debate because I earnestly feel that we, on this side of the house, have proceeded along constitutional lines in our opposition, during the last few days, to the motion to amend bill No. 58 by substituting the word "May" for the word "March". One of the chief duties of the members of the opposition is unquestionably that of upholding the rights and privileges of the house. Rules and regulations have been made as to the procedure to be followed, and a perusal of parliamentary law and practice shows that when it comes to grants of public money, the house is supreme, and that is the very thing we are contending for when protesting against this measure. Had the government asked for a definite amount, no matter how large, in order to relieve unemployment, in the farming community as well as in industrial circles, we would have indeed been pleased to vote the funds, leaving it to the government to give an honest account of the expenditure, and reserving ourselves the opportunity of ascertaining, through the public accounts committee, just what use would have been made of the funds thus voted.

According to the principles laid down by the right hon. Prime Minister (Mr. Bennett), a majority should enable a government to do anything, and it is a fact that his ministry commands quite a large majority at the present time. However, the minority is called upon to offer constructive suggestions in the name of His Majesty, for it must be remembered that the leader of the Liberal party is the spokesman of His Majesty's loyal opposition. The opportunity now offers to uphold the rules and regulations of this house and it is our duty to see to it that the procedure followed is in accordance with the constitution.

Under the circumstances the idea of giving a blank cheque to the government and of conferring unusual powers upon them should not be entertained. No industrial, no dealer would ever think of such a thing in connection with his own business. Take, for instance, the average business man in this country: would he give to his manager unlimited powers and authorize him to sign a blank cheque whereby that manager could dispose of the larger part of his employer's property? How could the latter keep tab of his own affairs, ascertain what are his profits and check up the doings of his manager or his accountant? Common sense alone tells us that such a stand is a sheer impossibility. We are now being asked to give the government a blank cheque for an indefinite amount.

We are not unmindful of the fact that relief must be given to the unemployed and to the farmers in this country, but as members of the opposition, we must be suspicious of such a resolution as that now being introduced by this government. Should we have allowed the measure to pass without a word of protest, we would have been charged by the people with having made no opposition to it and therefore, with having made no attempt to safeguard the constitutional privileges of this House of Commons, privileges which our forefathers have striven to secure, under the Union, and which they succeeded in vindicating along with responsible government, by strenuously opposing governors bent on extorting a civil list from the people.

Looking back upon the past, we find a parallel to the present situation. Referring to the official report of the Debates of the House of Commons, for the session of 1912-13, under date of April 7, 1913, page 7223, I see that at the time a similar debate took place. Even now, I visualize the countenance of my hon. friend from Quebec-Montmorency (Mr. Dorion) when I shall read a certain extract of that report. It is said that, barring electricity, the radio and the wireless, there is nothing new under the sun; indeed, one only has to revert to the past in order to find similar political conditions. For instance, under the heading "Motions for Papers", I notice—

Mr. DORION (Translation): Are you giving us a spiritual lecture?

Mr. MERCIER (Translation): It is perhaps as a matter of entertainment.

Mr. DORION (Translation): We are in no hurry, take your time.

Mr. MERCIER (Translation): What I am going to read to my hon. friend from Quebec-Montmorency, has reference to a Quebec lawyer, with whom he is well acquainted.

For a copy of all correspondence, telegrams, etc., exchanged between the hon. the Postmaster General and Mr. Aimé Dion, advocate of Quebec, concerning the purchase of a certain patented lock for mail bags.

That motion was made by Mr. Verville.

Then, we read "Naval Forces of the Empire." Let us see how history repeats itself in the political world.

Consideration in committee of Bill No. 21, to authorize measures for increasing the effective naval forces of the empire.—Mr. Borden resumed from March 10. (Mr. Deputy Speaker in the chair.)

On section 2:

From and out of the consolidated revenue fund of Canada there may be paid and applied a sum not exceeding thirty-five million dollars—

There is a definite amount asked for at that time, just as in another case, a specified sum was asked for by Sir Robert Borden during the Great War; millions were then voted; at times their destination was unknown to us; they would go...

Mr. DORION (Translation): Say it.

Mr. MERCIER (Translation): May be they would go to the devil; however, the amount was known beforehand.

—for the purpose of immediately increasing the effective naval forces of the empire.

And then, this is most interesting:

And the amendment thereto proposed by Mr. Guthrie.

I often wondered how Mr. Guthrie had come to propose an amendment; he should surely have been on the same side of the House. How times have changed! Human beings and even buildings, are at times carried away, like ships, by ground swells; I see indeed that, at times, conditions are being reversed. On that occasion, Mr. Guthrie's amendment read:

That after the word "dollars," in the third line of the section, the following words be inserted:" to be expended in Canada in the construction and equipment of naval forces as hereinafter set out."

May I say to my hon. friends on the Government side that the debate I refer to, begun on March 10, 1913, was continued from day to day, from sitting to sitting, until—

Mr. DORION (Translation): Until 1930.

Mr. MERCIER (Translation): Until the 9th of April 1913, when the famous closure rule was inaugurated. At that time, Sir Robert Borden, rising from his seat in the House, on the ninth day of April, 1913, and moved the following resolution. It is a rather a lengthy one, and so, I wish it could be taken as read.

Mr. DORION (Translation): Take your time; read it.

Mr. MERCIER (Translation): Time flies, goes the saying. I beg leave from this House to consider the resolution as read—

Mr. DORION (Translation): Granted.

Mr. MERCIER (Translation): —in order to come to a most interesting paragraph:

. . . and if the same shall be resolved in the affirmative, no member shall thereafter speak more than once, or longer than twenty minutes in any such adjourned debate; or "if in committee" on any such resolution, clause, section, preamble or title; and if such adjourned debate or postponed consideration shall have been resumed or concluded before two of the clock in the morning, no member shall rise to speak after that hour. . . .

Which means that we shall sit until two o'clock in the morning; it is what we may call the last watch, the farewell dinner of the Girondists. Some time later, Mr. Northrup, then a member and subsequently clerk of the House, now defunct and who was a man of great ability, moved the previous question. For what reason was the previous question proposed on that particular occasion? The motion for the previous question was made in order to prevent the right hon. Sir Wilfrid Laurier from moving an amendment. Here are the words uttered by Sir Wilfrid Laurier, as recorded in the same volume of the Debates of the House of Commons, session of 1912-13, page 7430:

Sir, it means this: closure in anticipation. I had a motion ready to move in amendment; I cannot move it now.

The right hon. Prime Minister (Mr. Bennett) said the same thing the other day to the leader of the opposition (Mr. Mackenzie King) when he stated that the previous question had been moved because the Government apprehended an amendment from the leader of the Liberal party, just as had happened in the days of Sir Robert Borden who thus prevented Sir Wilfrid Laurier from moving an amendment before the House.

Mr. DORION (Translation): This is the time for barricades.

Mr. MERCIER (Translation): The hon. member speaks of barricades. No doubt, he will recall that in the history of Quebec, mention is made of the Long-Sault barricade; I do not know whether the hon. member's intention is to compare us with Dollard des Ormeaux; we may fall; we may not succeed in our effort to scale the wall; it being too high; but we can nevertheless carry on the fight, as the opposition is bound to.

Sir Wilfrid Laurier spoke on the closure rule passed on the 9th of April, 1913, under the then Prime Minister, Sir Robert Borden. To-day, history repeats itself! I shall quote the very words of Sir Wilfrid Laurier, that outstanding figure in the history of Canadian Parliament, that venerated leader of the Liberal party—

Mr. DORION (Translation): You lament his loss.

Mr. MERCIER (Translation): —who prematurely departed in a haze of glory—

Mr. DORION (Translation): And to this day he has not been replaced.

Mr. MERCIER (Translation): —and whose speeches are even now more impressive than those of any member in this house.

Mr. CASGRAIN (Translation): Mr. Lapointe is there to replace him.

Mr. MERCIER (Translation): As may be seen at page 7434, volume IV, of the Hansard for the parliamentary session of 1912-13, Sir Wilfrid Laurier said:

Everybody knows that each time supply was demanded, we granted it without hesitation.

These words still apply to the present case: Supply has been asked for in connection with the Department of Public Works, and the house has voted same forthwith; we were even criticized for our haste in granting same. The address in answer to the speech from the throne was voted within twenty-four hours.

Continuing, Sir Wilfrid Laurier said:

"Everybody knows that when my right hon. friend came to me and asked for a vote on account, I agreed without hesitation and with unstinted hand, perhaps too unstinted indeed. Everybody knows that whenever a measure of public importance was brought to our attention we gave it our best consideration and it was passed. When the bill for the renewal of the bank charters was brought to our attention, there was not a word said on our side to oppose it. We discussed it fairly; we discussed it completely, but we offered no obstruction to it. When the bill to ratify the Japanese treaty was introduced, there was not a word on our side which went to oppose the passage of that bill. And so it has been with every measure. It is true, sir, that we oppose a certain measure. It is true that we oppose the bill for naval aid. We did that with all the might at our command; we did it by the means at our command under the rules of the house. Am I to be told that in the exercise of this power of strenuous opposition we did anything which is not in accordance with the best traditions of parliamentary government? Sir, at all times in this house, at all times in the mother of parliaments, there have been questions upon which the minority thought it owed to itself to offer the most vigorous opposition possible. Under the rules of the house it is expected that the two sides of the house shall carry on the business, as was stated by my right hon. friend to-day, and so it is generally; but there are occasions, I repeat, when an opposition or a minority—

That minority to which reference was made the other day, which was not to impose anything upon this house, and be willing to allow the majority to conduct public affairs.

—a minority owes it to itself, on account of the strong views it holds upon some public measure, to oppose that measure with all the force at its command."

That is what took place on the 9th of April, 1913; and on that occasion the rule of closure was applied. The methods employed at the time to oppose Sir Robert Borden's motion for closure are nearly the same that are used just now. Why would you wish to enforce that closure rule against us? Such a drastic action could easily be avoided. If, by this resolution, you had asked for a stated amount from the Consolidated Revenue Fund of Canada, as was done in 1913 when a sum of thirty-five million dollars was applied for as an aid to the naval forces of the empire, you would have been granted all the moneys required to carry out your plans, complete your works, and give what relief you deemed fit to give to the unemployed in the rural districts as well as in the cities. You would have been granted all the funds asked for; the debate would have been of short duration and the expenditure incurred through this debate would have been avoided. At the same time the principle of responsible government would have been safeguarded through a procedure acceptable to all, to the opposition and to government side alike.

These utterances of the past prove most interesting reading.

Mr. DORION: And are quite illuminating.

Mr. MERCIER: Unquestionably, it is illuminating. It is in the records of days gone by that I find what is best in our Canadian institutions. To my mind, the story of the past revives an era of self-sacrifice to which we owe the great men in our history. If, one day, the gag was forced upon Sir Wilfrid Laurier, we of the opposition, are afforded this day the same privilege of figuring—

Mr. DORION: In history.

Mr. MERCIER: —in the gallery of those who were gagged, with the expectation, however, of securing ultimately the approval of the people.

Mr. Speaker, what did Sir Wilfrid Laurier say at that time?

Mr. DORION (Translation): At what page?

Mr. MERCIER (Translation): You are fond of reading the speeches delivered by Sir John Macdonald. He was a great man. One is apt to take his inspiration from his own authorities; as for us, we belong to the Laurier school; his teaching is still paramount and is bound to prevail in after years, for Laurier just as Macdonald, in former days, was considered a bright light—while at the same time respectful of the constitution.

Mr. DORION (Translation): What page is my hon. friend quoting from now?

Mr. MERCIER (Translation): I will tell you. At page 7435 of Hansard for the 1912-13 session, vol. IV, Sir Wilfrid Laurier said:

As I have said, there are some occasions on which there is a cleavage between the majority and minority, and then there is an easy remedy, an easy solution. The remedy is not closure; it is not the application of brute force. The remedy is an appeal to the people. The people, after all, are the judge and the jury. The people, after all, are the parties to pass judgment as between the government and the opposition, as between the majority and the minority; and, sir, the most I would have expected on such an occasion as this was that the government of the day would have adopted that remedy, and not have resorted to closure. I am sure it was not a pleasant task that my right hon. friend performed to-day; and for my part, when I compare my conduct with his conduct, I am proud that I resisted all applications for closure, and that, when the time came I appealed to the people, as I did on reciprocity.

Now, Mr. Speaker, it is well that I should quote the concluding words of Sir Wilfrid Laurier. I am speaking in French now and I do so as a tribute to my own people—

Mr. BRASSET (Translation): To the hon. member for Quebec-Montmorency (Mr. Dorion).

Mr. MERCIER (Translation): —to my province, to the land of Sir Wilfrid Laurier. But, so that I may be understood by everyone in this house, I shall use the English language for my concluding remarks.

I should like to conclude my remarks in English in order to be understood by everyone. The words I intend to utter are not mine; they were spoken in the past, and I have secured them from the library of this House of Commons, which I commend to every hon. member. On the shelves of that magnificent library may be found many jewels of literature, often expressing the exact situation with which hon. members may be faced in this house, I refer to volume 4 of the debates of the House of Commons for the session 1912-13, in order to quote the concluding words of Sir Wilfrid Laurier in connection with the discussion which then took place on a closure motion, that crippled child which we do not see very often but which comes to life once every twenty years or so in order to show that it is not absolutely lifeless. Sir Wilfrid Laurier said:

My right hon. friend has not forgotten the words of Shakespeare:

"—this even handed justice
Commends th' ingredients of our poison'd chalice
To our own lips."

The poison that he offers to us to-day will come to his own lips at some future day. We are in the minority; we can be gagged; we can be prevented from expressing our opinions; they can trample upon our rights. But, sir, the day of reckoning will come, and it will come as soon as we have a dissolution of the present parliament.

Mr. SPEAKER: The hon. member has spoken for twenty minutes.

Mr. MAURICE BRASSET (Gaspé): (Translation): At the very outset of his speech, when he spoke the other day on the resolution now before the house, the right hon. Prime Minister waxed eloquent on what he termed the victory won in connection with the election held in Athabaska. He claimed, —to use his own words—that a great victory had been achieved by the government and that, therefore, the majority should rule. I have no official returns concerning that election; I simply have press reports which we can assume to be fairly reliable. According to these reports, 4,914 votes were cast in favor of the Conservative candidate in Athabaska, while 10,308 votes were polled against him. That means that 4,631 votes actually went to the Liberal candidate—

Mr. DORION (Translation): Is that a provincial or a federal contest?

Mr. BRASSET (Translation): It is a federal election. My hon. friend does not read the papers, or he cannot read at all. The United Farmers who, as my hon. friend from Quebec-Montmorency (Mr. Dorion), must know, are dissenting Liberals, secured 3,434 votes, and another united farmer, a member of the Farmers' Unity League, polled 2,303 votes.

Mr. DORION (Translation): Are these official figures?

Mr. BRASSET (Translation): If my hon. friend will only bear with me another five minutes, I shall give him some interesting information in a few moments. I trust my hon. friend will rise, when I am through, and speak

himself for twenty minutes; the privilege is his in common with any member on this side of the house.

I therefore submit, Mr. Speaker, that the constituency of Athabaska has not sent to this House a representative of the majority since more than twice the number of votes cast for him went against him. The right hon. Prime Minister made a rather strange statement a few moments later when he said that, in this house as well as elsewhere, the majority must rule. As I said before, the member for Athabaska who is to take a seat in this house, shall not be the elected representative of the majority, and should the right hon. Prime Minister dare bring forward any anticonstitutional measure, he would not have the support of the actual majority of the people. When a government introduces a fair measure and when they are backed by a majority of the people, we may say that the majority at their command in the house is a real majority. But, when the Prime Minister has recourse to a majority,—I do not like to use the adjective I have in mind,—that is ready to stand by him on every occasion, in order to secure the passage of all kinds of anticonstitutional measures, whether they be in the interest or not of the people, I say that he should not rise in this house and talk about majority or government by majority.

Why are we opposed to this measure, Mr. Speaker? We oppose the measure for several reasons.

Mr. DORION (Translation): We should know them by this time.

An hon. MEMBER (Translation): You do not understand anything.

Mr. BRASSET (Translation): The hon. member for Quebec-Montmorency must be deaf for he has been told many times, and he does not know yet. For his own benefit I will try to restate these reasons, and I hope that this time he shall pay attention.

We do not want to confer unlimited powers on the government. The other day, the right hon. Prime Minister attempted to define the powers he is asking for in the following terms:

> Without restricting the generality of the terms of the next preceding section hereof, and notwithstanding the provisions of any statute or law, the governor in council may:
> (a) Provide for the construction, extension or improvement of public works, buildings, undertakings, railways, highways, subways,—

Very likely it means a tunnel under the citadel at Quebec, an undertaking such as would interest my hon. friend.

> —bridges and canals, harbours and wharves, and any other works and undertakings of any nature or kind whatsoever;
> (b) Assist in defraying the cost of the production, sale and distribution of the products of the field, farm, forest, sea, river and mine;
> (c) Assist provinces, cities, towns, municipalities, and other bodies or associations, by loaning moneys thereto or guaranteeing repayment of moneys thereby, or in such other manner as may be deemed necessary or advisable.

Such powers, Mr. Speaker, are unlimited and I believe that use could be made of them in order to secure the passage of any measure the government may introduce. I even think that, under that blank cheque, the government could proceed with the St. Lawrence Waterway Project, in which case, knowing as I do how my hon. friend from Quebec-Montmorency stands on the matter, I am safe to say that he would be bound to vote against the government.

Mr. DORION (Translation): You are mistaken.

Mr. BRASSETT (Translation): The government would be enabled to spend enormous sums of money, do what they please, indulge in any extravagant expenditure, for any reason, simply under the guise of relief to those who are in distress. We too, are quite willing to give relief to those who are hungry and to alleviate distress among the people; but we refuse to let the government resort to that measure in order to have their own way. Let the government say just what they intend to do, let them state the amount to be expended and we shall be the first to cooperate with them, to give them authority for such expenditures as are called for.

I submit the government are indulging in extravagance at a time when they preach economy and solicit a blank cheque for the purpose of reckless expenditures. On this side of the house we have our misgivings as to the manner in which the government may use the funds at their disposal. "L'Evénement," a newspaper that has the approval of the hon. member who is so fond of interrupting me, has this to say:

Mr. DORION (Translation): This is quite an event.

Mr. BRASSETT (Translation):

> In a few days from now, the Minister of Finance shall announce the extent to which he shall raise the tax rate, in the hope of making good the deficit of the administration for the coming year. That increase in taxation will

affect every taxpayer proportionately to their families and fortunes. At a time when the people already experience so much trouble in balancing their own budget, who shall come to their aid? They will be compelled to cut down their expenditures and deny themselves quite a number of the necessities of life. But why the government should not themselves reduce their expenditures?

That is what we hear throughout every province in Canada. We are willing to co-operate with the government and help them to cover up their deficit; we are ready to cut down our own expenditures, but let the government set the example themselves in the matter of economy. We contend that the government, in carrying out an unsound policy of economy, should not discharge their own employees after fifteen or twenty years of service, and at times more; we protest against the government's own employees being made the first victims of that policy. Such is the contention of the province of Quebec as well as of every province in this Dominion. What we want is a government that will practise economy, not a capitalistic government, and above all, not a government ready to spend the money without giving us any information as to its destination.

What would all the provinces of Canada, what would those who sit in this House, either on this side or on the Government side, think should the municipal council in a small town empower the mayor, for a whole year, to spend money at his own will and manage the public affairs without the advice of any one? Would the electors of such a municipality have cause to be pleased with their mayor, and could, in the name of common sense, a municipality endorse such a policy, simply because it may be necessary for the good government of the town? For a long time, we have always had, every year, and in every town in the province of Quebec and elsewhere in the Dominion, a certain number of unemployed for which the municipal authorities had to provide.

Mr. DORION (Translation): To be continued.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILL

SECOND READING

Bill No. 35, respecting the Canadian Pacific Railway Company.—Mr. Matthews.

[Mr. Brasset.]

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—CONSIDERATION OF RESOLUTION

The house resumed consideration of the motion of the Prime Minister that Mr. Speaker do now leave the chair for the house to resolve itself into committee of the whole on the following proposed resolution:

Resolved, that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor,

And on the proposed motion of Mr. Weir (Melfort): "that this question be now put."

Mr. MAURICE BRASSET (Gaspé) (Translation): Mr. Speaker, when at six o'clock I was forced to suspend my remarks, I was referring to the extravagance of the Government. The hon. member for Quebec-Montmorency (Mr. Dorion) repeatedly interrupted me; evidently, he was displeased with my remarks as I am quoting extracts from his favorite newspaper, L'Evénement. Once more, to be agreeable to him, I will continue my quotation. Under date of the 28th March, 1932, L'Evénement said:

On the first of April, Mr. Ferguson will triumphantly arrive in Ottawa to put to shame the witness who said that the former Toronto politician had claimed his share of the bribes in connection with the Beauharnois. No doubt, such a denial has already been given in a cable and Mr. Ferguson could have refrained from undertaking, at our expense, a hurried and pleasant voyage, for the sole purpose of repeating his denial here.

Mr. Speaker, it seems to me that, at this time when there is so much distress to be relieved, when the Government can hardly make both ends meets, and when, in a few days, he will be compelled to add to the burden of taxation now weighing upon the people of Canada, expenditures of this sort should not be undertaken. It is true that the government cannot carry on without funds, but, after all, why should they incur expenditures like those I referred to the other day, such as, for instance, the Gordon inquiry, and so forth? And to-day, it looks as though the whole of Canada should bow to the will of the right hon. Prime Minister and his ministry.

Mr. Speaker, the right hon. Prime Minister, when he spoke the other day, wanted to know whether it was a matter of urgency to relieve distress among the people. To the Prime Minister I may reply that the matter is indeed one of urgency, but that it is so through the fault of the government; the urgency exists because the government themselves have failed to administer public affairs as they should

have done. The history of the Confederation shows that every time a conservative government comes into power, their arrival is always followed by a period of depression. When Sir Wilfrid Laurier was defeated in 1911, prosperity was prevailing throught Canada, and two years later, in 1912 and 1913, depression came bringing in its wake distress and starvation. In 1921, when the right hon. Mr. King came into power, Canada was on the verge of bankruptcy, and after a few years of resoluteness and industry on the part of the liberal administration, we saw once more the return of prosperity. Then, the conservative government comes back and we have the same conditions as formerly; we are going through a new period of depression; distress and want are prevailing in Canada.

The right hon. Prime Minister has also referred to what took place when a few persons came here and endeavoured to secure his aid. Who were the men that called on him? A great deal has been published in the papers concerning them, and according to the English press they were undesirables coming from all parts of Canada. Mr. Speaker the people who came here for the purpose of obtaining relief, were honest citizens, representing every section of the country. They wanted help for themselves and their families. I think that they were entitled to a reception different from that which was given by the right hon. Prime Minister. The other day, I quoted an article from a conservative paper, the Ottawa Journal. Since then, a good deal of discussion has taken place and a controversy has developed in connection with that famous trip of the unemployed to Ottawa. I would like to put on record on the Hansard an article which appeared in the same paper, under date of the 8th March, 1932. It says:

A General and a "Mob"

Major-General W. A. Griesbach, an Honourable member of the Senate, writes The Journal in disagreement with this newspaper's editorial criticism of what it deemed to be an un-called for and un-British parade of armament on Parliament Hill. In his opening paragraph Major-General Griesbach states that he writes "with humility," but the statement seems hardly borne out by succeeding passages. What is revealed, instead, is that attitude of mind which, more than anything else, was responsible for the Junkerism which Ottawa witnessed last Thursday. Consider this from Senator Griesbach:

"Does a display of force invite disorder from a mob, or, conversely,

"Does a display of force dissuade a mob from disorder?"

Note well the word "mob." Major-General Griesbach knows what it means. The dictionary defines a mob as "the lower classes of the community; the common mass; a disorderly element of the population; a disorderly crowd; riotous or low people in a crowd."

The Senator appears to think that because Canadian citizens are hungry and unemployed, and come to the Capital of their country to ask their Government for aid, that they are "the lower classes of the community," or a "disorderly element of the population," or "riotous or low people in a crowd." That, consequently, they must be terrorized by force.

To this sort of mind, it is perfectly all right for people to assemble as Conservatives or Liberals, to cheer some Senator or M.P., but all wrong, and something to call for a display of guns, if they assemble because their families are hungry. The right of lawful assembly dosen't apply to the unemployed!

Of that sort of thinking, if it can be called thinking, the world is becoming tired. There is an old man now living in Doorn, and who was once the All-Highest, who used to think that way; but, unfortunately, all the Junkers didn't live in Germany. There are too many of them in all countries.

The Journal has never had sympathy for lawlessness, has no sympathy with it to-day, never will have sympathy with it. But there was no evidence of lawlessness in Ottawa on Thursday last; consequently The Journal protests, as all of British blood should protest, against the exhibition of Prussianism which took place on Parliament Hill. More that that, The Journal hopes the day will never come in Canada when the British right of lawful assembly will be denied to citizens simply because they are unemployed, when people who are without work and the means of sustenance will be met by nothing more decent than a threat of bullets and bluster. Canadians won't stand for that sort of thing any more than they will stand for Communism.

If Major-General, the Hon. Senator Griesbach and those who think like him are fearful of the unemployed, and think that theirs may be the fate of the Hon. Mr. Squires of Newfoundland, then it is just too bad. We suggest to them, however, that their fears are not shared by the public.

And in answer to Senator Griesbach's hypotheses he might be referred to the fact that in London, where the problems of maintaining law and order are continuously great, the Metropolitan Police carry no lethal weapons and there is no interference with lawful assembly.

The people who have come to Ottawa in the past, and who did most damage to the country, didn't arrive hungry and unemployed. Some of them came in private cars, and, judging from some recent political history, with too-great rolls of greenbacks. If they had been met by policemen with guns Canadians would have saved a lot of money.

There is no question about that. Ottawa is the Canadian capital and, it seems to me, the unemployed are entitled to a hearing from the right hon. Prime Minister. When the right hon. gentleman goes back on the unemployed after the pledge he took, throughout Canada, to provide work for them, I submit that such an occurrence should never be witnessed in the capital of Canada.

Mr. Speaker, we are ready to aid the unemployed and it is because of our desire to help the needy that we object to the granting of the powers asked for by the Prime Minister.

We must, in the first place, know what measures he intends to take, and how he will spend the funds voted by this House; we also wish to know whether those millions will actually be used for the relief of distress.

Mr. F. W. PERRAS (Wright): Mr. Speaker, when for the first time I read the resolution that is now before the house I could hardly conceive that the Prime Minister (Mr. Bennett) who is a financier of no mean ability and a lawyer of repute, really intended to see unemployment relieved in that way. I say that because I do not think that at any board meeting at which he might ever sit he would accept a resolution giving the directors a blank cheque to administer the affairs of the company. What difference is there between that case and the present one? I see none whatever. As the director of a company he would know through his officials just what amount had been required for the past year and what would be required for the coming year in the way of current expenses, contingencies, reserve and sinking fund. When departmental estimates are being prepared, the whole situation is canvassed, and then a supply bill is brought down.

In 1930 the Prime Minister made the statement that there were then about 117,000 unemployed in this country, and that in the winter months the number would probably reach 177,000. At the special session of 1930 he asked for $20,000,000 for the relief of unemployment. So the unemployed man would get for himself something like $100 for three months, or $30 for each of the three winter months. Evidently that was but a rough estimate, but the situation at the time being critical, we on this side of the house agreed to vote that sum of $20,000,000. I am not prepared to say that that fund was in all respects properly administered. I have not all the data I should like to have before me in that connection, but I am afraid that a vast portion of that sum never went into direct relief, never went to those for whom it was primarily destined. I am afraid that much of it was frittered away in costs, commissions, implements and so forth, and that the unemployed did not get the full benefit of that $20,000,000.

The Prime Minister in 1931, having had the experience of 1930, should then have had the situation well in hand, but instead of that, the situation was decidedly worse. Many things go to prove that. The number of people out of work had considerably increased, and the price of farm products, to mention only those, had pretty nearly touched bottom. The situation throughout the country was daily getting worse in all spheres of activity and everyone was feeling more deeply the acuteness of the crisis. Still another proof that the Prime Minister had failed in his efforts was that while on the first occasion he had asked parliament for $20,000,000, in 1931 he asked for a blank cheque. Evidently he was afraid, I might say ashamed, to ask for a definite sum, conditions being so bad. He got that blank cheque, and we have not heard the end of the story as yet. But at all events we get this from the Labour Gazette under date of September 30, 1931:

> Up to August 31, 1931, there had been 327,990 men employed doing 7,228,744 so-called man-days' work. According to the statement made by the Minister of Labour the other day from August 31, 1931, up to January 31, 1932, there were 334,301 men employed for 7,415,973 man days. That means that for the first period every man worked an average of 22½0 days—dividing the number of men into the number of man days; and for the latter period up to January 31, 1932, there were provided 22¼ days for each man, or a little over 44 days' work per man during the combined periods. Therefore, as a result of this unemployment relief measure, during the period from October 1, 1930, to January 31, 1932, roughly four hundred working days, there has been supplied only three days' work out of a month to the men who have been given employment.

Will anyone say that that measure worked wonders when the best that was done under it was to give to those who worked, only three days' work per month?

May I now point out at what a cost that was done? The hon. member for Shelburne-Yarmouth (Mr. Ralston) has already explained that. According to the returns, there was spent $146,899,219. To employ all those men at three dollars per day for the 14,000,000 odd man days, that is combining the two groups of man days of about 7,000,000 each, would have meant an expenditure of something like $44,000,000, instead of the $146,000,000 that was actually spent. Some may say that the difference was made up by the cost of materials, but if we are to assume that $100,000,000 out of the $146,000,000 was spent for materials, it is certainly a pretty high percentage. We have only the statement made by the Minister of Labour. The fact remains however that to pay those men three dollars for every day's work would have cost $44,000,000. The next fact is that according to the Minister of Labour we have committed ourselves to an expenditure of $146,000,000, or three times the amount spent for labour. Possibly some of that expenditure went to buy material. I wonder if anyone will say that the people supplying materials are those for whom relief should be provided.

The money was voted for the purpose of providing work and employment for those in need. The fact is that $100,000,000 has been spent over and above the moneys paid to those in distress. The only conclusion I can arrive at is that out of every $10 spent only $3 reached the unemployed. To date, that is the cold, blunt result. The Prime Minister comes back this year and asks for another blank cheque. When last year he obtained the blank cheque it was understood his expenditures under it were to end on March 1, 1932, though of course his commitments would lead him farther on into the year. As I understood it, after the first of March of this year he could not enter into any new commitments, but could continue paying in respect of those entered into before that date. As a business man I would say that his note matured, or that his lease expired on that date.

We are now told the Prime Minister needs money to carry on until the first of May. Under the terms of his dead lease he cannot enter into any new contracts, and it is for that reason he is worrying. If he needs money he must come to parliament with a supply bill and state the amount he requires, what he wants it for, and how he will spend it. That is just what he does not want to do. He wants to get more money under the old blank cheque, and keep on spending it in the way I have shown. Now his position is very clear; the situation is not complicated. He needs authority to spend more money until May 1. If the term of the blank cheque is extended until May 1 what assurance has parliament that between now and the first of May the Prime Minister will not make commitments for the whole of the fiscal year 1932-33? That is where the joker comes in. If we resuscitate the dead statute and then amend it by giving it breath until May 1, we still give the Prime Minister the right to any sum he desires to have, a right similar to the one he possessed under the dead statute.

Then, by virtue of that statute he will again have the right fully to engage any sum before May 1, 1932. He will be at liberty to engage the entire amount he may need for the year 1932-33, and on May 1, 1932, he may say to this house, "I do not need a supply bill for unemployment relief, as I have all the money I desire, and I will not make any new commitments after May 1." That is the situation. Hon. members on this side of the house say that would not be the proper attitude, but rather one in complete violation of the constitution. Conservative members who have spoken have not denied that the proposed legislation is anti-constitutional, but they have said, "What matter, even it does trangress constitutional law"? I am not a lawyer, and shall not go further along this particular line. But I am a lover of justice; I respect duly constituted authority, and when I am confronted with a choice between a right and a wrong method, I prefer to follow the right. That is the Liberal way. I desire to make it clear that hon. members on this side of the house are not trying to inflict pain, misery or suffering, or to delay relief. Under present conditions the Prime Minister may continue to pay for all commitments made before March 1, 1932. There must be in existence many commitments under which money is daily being paid and will continue to be paid long after March 1, 1932.

If the Prime Minister had wished to proceed properly the whole matter would have been very simple. Had he come to this house and stated candidly, "In the light of the experience gained during the past two years I think I will need so many millions, but in case of emergency or for something unforeseen, I should like to have so many more, and I desire to spend what I get along the following lines"—he would have obtained the required sum. I feel I must at this point quote the words of my right hon. leader, as they are reported in Hansard of March 7, 1932:

> What I wish to say to my right hon. friend is that if he will bring into the house a supply bill asking for the amount that he may regard as necessary and wish to have for this month, so far as the opposition is concerned, we will be prepared to do what we can to facilitate its passage rapidly through the house. We recognize that it is a week since the Unemployment and Farm Relief Act lapsed and that my right hon. friend will certainly be coming to parliament for some moneys for this purpose. If a supply bill is brought in at any time to provide what may be necessary for the balance of this present fiscal year, so far as the opposition is concerned, we shall be prepared to agree to any suspension of the rules which will allow the bill to go through this house with as little in the way of criticism or delay as possible.
>
> I would like to make clear to my right hon. friend that one reason I mention the matter immediately is that if it is proceeded with by means of a supply bill, I believe there will be no question as to the rapidity with which the bill would pass, but if my right hon. friend has in mind proceeding with a bill such as the one passed at last session, which was intended to meet a situation while parliament was not in session, I may say that we on this side would have to take very strong exception to proceeding in that way.

Then, at page 916 of Hansard of March 8 last, I find the following:

> Now, my right hon. friend has parliament in session. He does not need to summon parliament again to get an additional sum for the

purposes for which he now requires this money. He has indicated this afternoon that something, I think, like $7,000,000 will be required for the purpose of loans. Well, let him ask for $7,000,000 for the purpose mentioned and we will vote it. If, between now and the first of May, he finds $7,000,000 will not be sufficient, let him come back and tell us it is not sufficient and say what additional sum he requires. But I submit he has no right, while we are assembled here, to ask for a blank cheque to do as he pleases by order in council.

Last session my right hon. friend secured from parliament the right to exercise at will, during the time parliament was not in session, those powers which heretofore had never been exercised except during a period of war, insurrection and invasion. Now he comes to ask us to allow him to exercise them while parliament itself is in session. I say, Mr. Speaker, that we as members of the House of Commons, responsible to the people of this country, cannot surrender every obligation that is imposed upon us to protect their rights May I briefly summarize our position, as I have endeavoured to state it. With the object which the government has in view, namely supplying public moneys for purposes of relief, we are in complete accord and agreement. We are ready to leave to the judgment of the ministry itself the amount it may need for the purpose of dealing with unemployment relief, the supplying of seed or the meeting of any other need which would come within the provisions of the legislation proposed. All that we ask is that the ministry bring in a supply bill indicating the amount they wish to have for the general purposes, and allow us to vote it in that form.

With those sentiments, Mr. Speaker, I am in full accord. I submit once we decide to do something to cure what the Prime Minister said he would cure or end in one day, we should do our utmost to this end. But as I have said, there is but one right way of doing it. If doing it the wrong way would more quickly help the needy, then that might be an excuse for this procedure, but it would not. Let me again quote what my right hon. leader said in that respect, as it appears on page 914 of Hansard of March 8:

> I am not raising this objection as a merely technical one. I am raising it, as I have said, because I feel that the precedents which are established in this house are all-important, and that members of the House of Commons incur a very grave responsibility in countenancing precedents which should not be set. To make clear that this exception is not being taken on merely technical grounds; that we are not trying to obstruct the voting of any moneys which may be necessary in order to give the provinces the needed loans that my right hon. friend says he now proposes to give them, let me say again, as I said yesterday: If my right hon. friend will drop the resolution which is now before us and ask his Minister of Finance (Mr. Rhodes) to come to the house this evening with a supply bill indicating the amount of money which the administration feels it will be necessary to have in order to meet the situation between now and the first of May, or the period during which parliament may be in session, if he will take that course and move that the rules be suspended so that such a supply bill can be speedily passed through the house and sent over to the Senate, we of the opposition will cordially join with the government in agreeing to the suspension of the rules and will seek to expedite the passage of such a measure through the house to-day.
>
> Again I urge the ministry not to create a controversy, particularly when delay might only serve to cause added suffering to many people throughout the west and in other parts of Canada. There need be no delay whatever. As I have said, we can expedite a supply bill to the extent of having it pass this House of Commons to-day, if the ministry wishes to proceed with it in the regular manner in which all supply is granted by parliament.

I have repeated that, Mr. Speaker, so that it may again be taken as the expression of the attitude of the Liberal party.

Mr. SPEAKER: The hon. gentleman has exhausted his twenty minutes.

Mr. PERRAS: I will finish my speech, sir, in my constituency.

An hon. MEMBER: Put the climax on it in your own constituency.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I desire, Mr. Speaker, to congratulate my hon. friend who has just resumed his seat (Mr. Perras) on his excellent speech. I am sure his constituents will be very glad to hear the remainder of his speech which the twenty minute limitation has prevented him delivering to the house.

I am very sorry that the right hon. Prime Minister (Mr. Bennett) is not in his seat to listen to the further quotations which I propose to place before the house in answer to what he said last Wednesday in the course of his two-hour speech. On page 1402 of Hansard he stated:

> The gentleman who for so many years presided at the table in the mother of parliaments wrote a book from which I shall read just a few lines, namely, Redlich's Procedure of the House of Commons, as the outstanding authority upon the subject.

To use the right hon. gentleman's own words, there seems to be a lack of knowledge somewhere, because if he had looked at the first page of the book he would have seen that Josef—J-o-s-e-f—Redlich is a professor in the faculty of law and political science in the University of Vienna and author of Local Government in England. He would also have observed that his work on the procedure of the House of Commons was written in German and translated by A. Ernest Steinthal of Lincoln's Inn, barrister-at-law, formerly fellow of Trinity college, Cambridge. The name

J-o-s-e-f—the German form of J-o-s-e-f—appears on the title page of each of the three volumes.

In the Encyclopaedia Britannica, fourteenth edition (1929), volume 19, page 24, I find the following:

Redlich—Austrian historian and politician. Was born in Göding, Moravia, on June 18, 1869. He studied jurisprudence and history in Vienna and travelled extensively, especially in England.

He never "presided at the table in the mother of parliaments." He may be an outstanding authority on parliamentary procedure, but so far as the mother of parliaments is concerned he is a rank outsider.

Had the right hon. Prime Minister looked at page 315 of the index he would have found under "Opposition" the following:

Obstruction as a function of the opposition (1) 81—note.

Turning to page 81 he would have found this note:

In 1840 Sir G. Sinclair made bitter complaint of the slow and slovenly manner of conducting parliamentary business, which he ascribed to the improper behaviour of many of the members:—

Just as the right hon. Prime Minister does.

—he stated that, at the beginning of the session especially, much time was thrown away. The speech does not seem to have made much impression on the house. See Hansard (54), 963.

Much the same as the effect of the right hon. gentleman's speech last Wednesday. On the same page Redlich quotes Sir S. Walpole as follows:

The fashionable young gentlemen who had been nominated as the representatives of rotten boroughs, had been replaced by earnest men chosen by the populous places enfranchised by the Reform Act. Representing not a class, but a people, they brought the house into harmony with the nation. They insisted on receiving a public hearing for their own views; and on obtaining comprehensive information on the many subjects in which they and those who had sent them to parliament, were interested.

There is a footnote to that paragraph in these words:

Sir Erskine May also points to this cause in his pamphlet "Remarks with a view to facilitate the dispatch of public business in parliament" (1849). The development of freedom, he says, had enormously increased the desire to speak in the house. Delays and even obstructions must not always be regarded as illegitimate parliamentary weapons,—

It is our weapon; on the other hand. The Prime Minister wants to use orders in council or special powers as his weapon.

—as they afforded the means of collecting the opinions of constituencies and the public. For the future, on important legislative proposals, long debates might always be reckoned on.

This quotation is from the very same author that the right hon. gentleman cited last week; should he not have read the first volume before delving into the third. And he says this is the outstanding authority on the subject.

The right hon. gentleman quoted another authority, chapter 48 of Westminster, 1931. The hon. member for Shelburne-Yarmouth (Mr. Ralston) has demonstrated beyond doubt that it cannot be invoked as a precedent in favour of the proposed legislation, any more than Mr. Josef Redlich, an Austrian, can be said to have "presided at the table in the mother of parliaments."

Let us proceed a step further. There is another matter that has been forgotten by the Prime Minister. In his elegy he forgot to mention one of the greatest accomplishments of the dead relief act, the purchase of railway ties to the extent of some $1,300,000, so eloquently referred to by my hon. friend from Vancouver Centre (Mr. Mackenzie). Railway employees have been set back while profiteers have been given contracts for railway ties.

Why not make an anthology of the gems contained in the Prime Minister's speech? At page 1254 of Hansard he said:

May I point out that during the long years in which the Liberal party was in opposition from 1911 to 1917 under the direction of Sir Wilfrid Laurier, never during that whole period of time, with the exception of the naval debate, to which I shall presently refer, was there a case in which any effort was made upon a resolution introduced into parliament, a resolution, I repeat, asking that the Speaker do leave the chair for the house to consider the resolution, to have a debate that extended beyond the statement of a few broad principles.

When Sir Wilfrid Laurier was leader of the opposition Sir Robert Borden never amended, or thought of amending, a dead statute.

Now let us proceed a step further. The Prime Minister said:

Does any hon. member in this house suggest that a single amount in a supply bill will take care of that situation?

Where is the Prime Minister to-night? He is not here; I do not know where he is. Then on September 11, 1930, the Prime Minister said:

When you expend large sums of money, there should be parliamentary sanction for the expenditures. That has been a cardinal principle of liberalism at least. It is for that purpose that the sanction of parliament is now being asked to spend twenty millions for two purposes: (a) to provide useful work suitable, so far as possible, to engage the energies of the unemployed; (b) to provide for relief for those for whom there is no work, and who are

unable to find useful work. I have said that several times; I repeat it, and I hope it is satisfactory.

It is too bad he did not repeat it in his speech last week. In that speech he said:

Despite what has been said, the governor in council consists of the cabinet of the country, a committee of this house of commons, sir, of your fellow citizens and your co-members in this chamber, together with one ex-Prime Minister of Canada who sits in another chamber of parliament.

At page 244 of volume 2 of Redlich, our outstanding authority, it is stated that the ministry is the channel of communication between the sovereign and parliament, which is true. Parliament is supreme, and the duty of the cabinet is to execute the will of parliament. I might point out here that the etymology of the word "minister" is "servant"; first the ministers were servants of the king, and now they are servants of the people. We are servants of the people also, and the ministers are the servants of the servants of the people.

Then there was something said about a blank cheque. I ask the Prime Minister, or any member of this house, if he is willing to sign a blank cheque in favour of anyone. No farmer and no business man would do such a thing; it is not done in the ordinary course of business, so why should we have such legislation? It is a smoke screen, but there is nothing behind it. It is made necessary because the Prime Minister is unable now to repeat about unemployment relief those famous words: "ready, aye ready!"

I have not time to quote at length an extract which will be found at page 2866 of Hansard for last year, but when I asked the number of each order in council passed on October 7, 1930, the Prime Minister refused to give that information. Every hon. member of the house remembers the trouble to which my good friend the ex-Minister of Justice (Mr. Lapointe) went in order to secure copies of those famous orders in council passed in virtue of the dead statute, and some of which had no more reference to unemployment than they had to the man in the moon.

Now let us proceed a step further, as the Prime Minister would say. He said:

We do not now, nor do we at any time, propose to truckle or ask for the sacrifice of our independence of thought in order to obtain the support of those who would retain us in office for the spoils of office.

I do not wish to offend any hon. member on the opposite side, but let me say that while we were cheering the speech of the hon. member for Quebec South (Mr. Power),

[Mr. Pouliot.]

Conservative members blamed the hon. gentleman for not going far enough. Then the right hon. gentleman went on to say:

Is anyone so extravagant in the use of language as to assert that these gentlemen—

That is, the members of the cabinet.

—are without opinions, or having opinions have not the will to assert them and the ability to express them?

They may have the will and the ability, but the Prime Minister has a louder voice. I remember very well that one day I asked a question of a minister—it is not necessary to name him, but this will be found at page 2199 of Hansard for last year—and while the minister said "answered" the Prime Minister said:

Surely we have reached the stage where such a question should not be asked.

The Prime Minister had no business to make that statement when the minister concerned had politely answered the question. Then I said:

I should not like to ask a question which causes discomfort to the cabinet.

In another case the minister concerned answered the question; the answer was sent to the officers of the house and it was printed in Hansard the next day. At the same time, because the Prime Minister said "order for return," in the votes and proceedings there appeared a return of the house for the question which appeared in Hansard as being answered on the previous day. I remember that on another occasion an hon. member who has been here quite a long time rose to a question of privilege, and the Prime Minister told him in a gentle fashion to sit down. I refer to page 376 of Hansard for September 18, 1930.

Then the Prime Minister went on to say:

May I remind this house that we expressed some months ago the hope that no man, woman or child should be hungry during the past winter, and that there should be no occasion for the civil disturbances which have been apparent in other countries. It is a matter of some pride and satisfaction to think that, in the main, has been accomplished.

There is a lack of contact between the government and the people. As you know, sir, I have the highest respect for the royal family; we all know that the Prince of Wales prevented a strike of miners in Wales by visiting them, and that he prevented a rebellion in India by shaking hands with the untouchables, also called the pariahs. Why do not the members of the cabinet, after the house adjourns, go to Bowles lunch or the Honey Dew to meet the unemployed and find out the sentiment of the people?

Let us go a step further. The Prime Minister said:

I wonder if they think that my colleagues and myself who labour, not eight hours a day or sixteen hours a day or eighteen hours a day, but often twenty hours a day during the last six months, find any satisfaction in that except it be that it will be of some benefit and value to the country.

We are trying to make things easier for the government; we are trying to share their work, but they refuse to let us do so. The Prime Minister may work twenty hours a day, but we never see him working. He reminds me of the mythical god Vulcan, the fireman of the Olympus; he comes here twice a day, at three o'clock for the opening and at eleven o'clock for the adjournment, and we do not see him in the meantime. As for my genial friend the Minister of Labour (Mr. Gordon) he reminds me of Pegasus in full sweat, marking time on a treadmill without gear, serving no practical purpose. If Sir Malcolm Campbell, in his Silver Bullet, drove the Prime Minister at record speed to Hull, but over the Quebec bridge, he might kill thousands of hens and ducks on the highway, and he would get there exhausted and several hours after a pedestrian who had not forgotten that a straight line is the shortest distance between two points.

Some time ago President Hoover asked Rudy Vallee the crooner to sing a song to chase depression. It would not be necessary, indeed it would be foolish to ask him or anyone else to sing a song for a similar purpose so far as Canada is concerned, because we already have a song appropriate to the unemployed who are working on the transcontinental highway. That song is the Volga Boatman.

The Prime Minister, during the election, said, "I will end unemployment or perish in the attempt." I hope, we all hope, that the country will never perish in the attempt. We are ready to support all measures that are constitutional which the government may bring forward, but we refuse to be impressed by the humbug of the Prime Minister and by the ignorance of his colleague, who is using this legislation as a smoke screen to hide his ignorance of the miseries of the people.

Mr. D. M. KENNEDY (Peace River): In connection with this debate there are two points that are of chief interest to me, namely, the question of relief and the constitutional question. In view of the fact that this debate has lasted so long, I may say at once that the question of relief is the paramount question so far as I am concerned. It does not seem to me that the constitution itself is in very grave danger. I know, of course, that we run risks more or less every day we live as we walk around the streets or as we do anything, and some risk must be attached to any powers given any government. But at the same time the question does not appear to me, even after reading the statement of the leader of the opposition (Mr. Mackenzie King), to be so very far-reaching and so very important. I find at page 1393 of Hansard of March 22, 1932 the following statement by the right hon. the leader of the opposition:

If this measure is so dear to the hearts of hon. gentlemen opposite, if that is the whole excuse and reason for it being brought in, I say take out these few words which constitute the blank cheque provision and substitute any specific amount you wish. Make it any amount you deem to be necessary, $10,000,000, $50,000,000, $100,000,000, or as many millions as you like to move in, and introduce the bill in that form, with one other change.

That is the reference to the blank cheque. Now after all, in practice, what is the difference between introducing a blank cheque provision and the leader of the opposition's statement, "Bring in any amount you like and we will O.K. it?" I canot see any real difference at all between the two propositions. The leader of the opposition continued:

Take out the words that give to the ministry itself, while this parliament is in session, the power to legislate by order in council in connection with peace, order and good government.

Now these are far-reaching powers but the only objection taken to them by the leader of the opposition is that the government should have these powers while parliament is in session. It may be possible to contend that this is a valid objection; possibly it is quite reasonable to say that the government is asking for a great deal. But after all the government has had that power for some six months while parliament was not in session and then for one month up to March 1 while parliament was sitting. I do not know whether they have had the power or not for the last month, but I will say this, that throughout the present debate the abuse of the power as it has rested in the hands of the government has not been seriously suggested by any member of the house. If this is going to be a fairly short session I cannot see that there is any tremendous risk considering that we have been living under a government that has had these powers and that nothing desperate has happened. The government has not been seriously challenged on its use of these powers and I do not think we ought to be afraid of extending them another five or six weeks.

With regard to the constitutional question in general, perhaps I am not very well quali-

fied to speak; it is largely a lawyers' question. It may be because of the density of my own mind or possibly because of the manner in which it has been presented to the house, but I have never worked up very much enthusiasm about the constitution one way or the other. The discussion, in part, has reminded me of some theological debates that I have read that took place some five or six hundred years ago. The constitutional question is a somewhat academic one, but in any case I do not think the constitution should be a rigid thing. In our interpretation of the constitution and the powers of any body under that constitution it seems to me that we must always exercise critical common sense, and should not be bound too rigidly by what people thought in past centuries or generations. This generation and this parliament must be ready to discover new truths, ready to re-define and re-apply old principles. That is our responsibility and our right as truly as it was the responsibility and the right of any group of people that ever sat in any parliament. If we must find out some things by trial and error, as in the past, we ought to be willing to make reasonable experiments and not be held back too much by fear, especially when we attempt to deal with so serious a situation as exists throughout the world to-day. No parliament, no people were ever faced with the circumstances that we are faced with to-day. Present conditions are not normal by any stretch of the imagination; they are abnormal from whatever angle you look at them. The Macmillan report submitted in Great Britain frankly recognizes the fact that we cannot function as organized communities indefinitely under present conditions. Within the last year certain things have happened that no one had any idea twelve months ago would happen. In the last few days I have read H. G. Wells' The Work, Wealth and Happiness of Mankind. In the closing paragraph he has this to say:

> Unless the gross amount of purchasing power in the entire world is increased, the getting of a larger share by Great Britain and her associates, will only mean that some other populations will have less. In spite of the suspension of war-debt payments—payments which it now seems clear will never be resumed—France and America still remain great absorbers of gold, and are still apparently unable to use their swelling hoards even to mitigate the deepening distresses of their own peoples. The poor nations are still growing poorer, becoming less and less eligible as borrowers as the need to redistribute money grows more and more urgent. They are sinking deeper into discontent, until it only needs a demonstrable rise in the Russian standard of living to make communism a vivid issue in half the cities of Europe. An immense amount of misery is being produced during these slow blunderings towards adjustment—if indeed they are towards adjustment—and it is still an open question whether the world conferences needed for the restoration of the ebbing economic life of mankind, can now be assembled and made effective, before the intolerable vexations and sufferings of the generality produce a world-wide series of social catastrophes.

Therefore, after all, the government is asking for great powers to deal with extraordinary conditions, and somebody apparently must have those powers. So, if we cannot find in days gone by any precedent for granting these powers, I submit the extraordinary conditions are at least some justification for giving the government some powers other than we might be willing to give them under ordinary circumstances.

I come now to the problem of relief, and I want to deal particularly with farm relief. The opposition of course has said: Bring in your bill in such and such a way and we will help you through. Under our system of government, with a majority and an opposition that opposes sometimes on sound ground and sometimes not, I do not think we can reasonably expect this to happen. When the party now in opposition was on the other side I recall situations in the house when similar suggestions were made from the opposition side, but I have no recollection of their being accepted. As a matter of fact, under our present system a government that pursues such a course is looked upon as weak or afraid, or something else. So I am assuming that we are going to pass this bill and give relief within the next few days.

As regards seed and feed, looking at the matter from the standpoint of a farmer in the west who has been struggling through a bad year and has now reached the seeding season, I believe he realizes, as every man does whether he is on the land or not, that if there is going to be any effective distribution of seed, it must be within the very near future. We are now entering the season when that seed must be distributed. I suppose it will take a few days or a couple of weeks to make the distribution, and I feel sure that if it is an ordinary spring some of the land will be ready to be seeded by that time.

As regards the importance of the western crop to the general economic life of the country, there is no question that if we do not get in a crop under reasonable conditions the constitutional issue will be worse from other angles than it is from the standpoint of the opposition and the government now. If the Canadian constitution will not enable us to distribute seed to the farmers in distress in western Canada, I have not very much

respect for it. It does not matter from what angle you look at the matter, whether it be from that of the farmer who has been struggling in the face of adverse seasons, trying to keep his farm in shape for seeding during the coming spring, or that of the general standpoint of the economic life of the country, the relief must be given and it must be extended through the assistance of the Dominion government. It is because of the seasonal nature of this relief, because of the fact that to be effective it must be given at a certain time, that to me this is the great issue and the reason why I want to support this measure even though under ordinary conditions I should have had some objections to it.

Hon. W. R. MOTHERWELL (Melville): Mr. Speaker, we have all returned after the Easter recess, refreshed in body and mind and possibly rather tempered by the great event that Easter commemorates. Nevertheless we have returned to our duties just where we left them, and whether they be pleasant or unpleasant, we must face them and represent those who sent us here, and that not by delegating to the executive powers that properly belong to us as parliamentarians.

Let me deal with what has been said by the preceding speaker (Mr. Kennedy, Peace River) with respect to nobody challenging the legislation asked for on the ground that it was abused. I say that it was grossly abused. How many hon. members ever dreamed the government were going to use this Farm Relief Act for the purpose of amending, let us say, the Insurance Act or the Bank Act? Outside of the government I venture to say there was not one who thought they would use this measure for the purpose of amending the Insurance Act, and I say that they abused this legislation most grossly and atrociously. What did they do in connection with that act? They authorized the insurance companies of Canada to appraise their assets at a fictitious valuation dating back to last July for the purpose of their balance sheets. If the valuation were false, then the balance sheet must be false. How are we to have any confidence in the future in balance sheets if these acts are under the legislative powers of the executive and not of parliament? Taking that one case alone, I say that the government has grossly abused the purposes to which this law was supposed to be dedicated. Under an unemployment and farm relief act we have had a bank act amendment, an insurance act amendment, and guarantees given to this, that and the other thing. I shall invite any hon. gentleman outside of the executive, to say that he expected these things to be done. If not, we were all deceived, and because of this I object more than ever to have such an atrocious act perpetrated now that parliament is in session. Last year this old measure was passed at the last moment, in the dogdays of summer when we all wanted to get away, at the tail end of the session, as is always the case with such important legislation. But these things I have mentioned were done during the recess. Now the government have the audacity to ask us to extend this power to them when parliament is sitting. For my part, I object; I shall oppose it at every stage of the game until the last dog is hanged. That is my reply to the hon. member for Peace River (Mr. Kennedy) who generally seeks every opportunity to show how delightfully progressive and U. F. A. he is by supporting the government. Give me a straight, out-and-out Tory rather than one so thinly camouflaged as that.

Let me say a word about the speech of the Prime Minister (Mr. Bennett) which was an excellent apologia or whatever you call it, a beautiful recital. It was more or less a plea for mercy and a hiding behind the closure. He pointed out what a very much overworked government this is. Of course it is overworked. When it takes on all the duties that properly belong to the parliament of Canada, naturally it will be overworked. A very much overworked and under-estimated government. Well, Mr. Speaker, if they knew just about what was the country's estimate of the Prime Minister they would not say much about it. A further complaint was that the government were abused. Am I abusing them now? If it was my leader (Mr. Mackenzie King) and the hon. member for Quebec South (Mr. Power) to whom the Prime Minister was referring more particularly, though we all had our say, certainly those two gave it to them in good shape, and there was no defence from over there. Just closure. Look at my hon. friend from Rosetown (Mr. Loucks). Why does he not get up and defend the government?

Mr. LOUCKS: I am well pleased with them.

Mr. MOTHERWELL: Why did not the government answer these attacks if they were attacks? They were unanswerable; that is the reason. The government got the spanking of its life, and it would be a wonder if they invited any more, or did anything else but rush for closure, to avoid more and well deserved spanking.

If I assented to this measure, Mr. Speaker, what would my constituents say to me?

An hon. MEMBER: Oh, oh.

Mr. MOTHERWELL: I am sure, Mr. Speaker, that you must hear these absurd interruptions coming from the other side. Hon. gentlemen opposite have nothing of their own to say, and so simply engage in coarse guffaws. But I have something that I want to say if you, sir, will just keep the treasury benches quiet.

I object to this measure, Mr. Speaker, because of the too comprehensive legislative nature of the powers which the government is seeking. Why, if the government is granted these powers, my friend the Minister of Trade and Commerce (Mr. Stevens) who sits opposite to me, could recommend and have passed an order in council authorizing the mixing of grain again. That was done in 1917 under the War Measures Act by this same breed of government, although it was supposed to be a Union government it was just in the transition stage. That government passed an order in council authorizing the mixing of grain, notwithstanding the provisions of the Canada Grain Act to the contrary. Those were the words of the order in council authorizing the mixing of grain. That is no hypothetical case. It is an example of what the government could do if granted these powers. It took us twelve years to get that grain mixing practice stopped. I suppose the Minister of Trade and Commerce would be horrified at the thought of doing any such thing now, but what they have done once they may do a second time, and then some more. They might, for instance, bring down that report with respect to the railway situation, and how do we know that they might not pass an order in council merging the two great railway systems in this country? It seems absurd, I admit, but they have done equally absurd and equally outrageous things before, and that is one reason why I refuse to delegate my powers and my responsibility as a member of parliament to any executive, especially this one, of which we know sufficient to withhold our confidence in them in the exercise of such powers. I can imagine going back to my constituents if I agreed to this measure and being asked, "Did you delegate your powers to Premier Bennett?" "Yes," I reply, "because I thought it the best thing to do." They would at once say to me, "That is not what we sent you to parliament to do. The last thing we told you to do was to give them h—, and instead of that you have delegated your legislative powers to the government." If I did any such thing, Mr. Speaker, I would never see this parliament again and I would deserve not to see it. So much for that phase of the question.

The general tenor of my remarks when I was speaking on this question at a former stage was with regard to the political character of the farm relief organization. I took the ground that the organization under the relief commission was ninety per cent partisan; in other words, ninety per cent Tory. I took the ground that relief had always been administered satisfactorily by the rural municipalities, and that it had been taken out of their hands deliberately, out of the hands of a non-partisan body familiar with the requirements of the ratepayers and familiar with the administration of that kind of work in the past, and put in the hands of a partisan body. This is not the first time that relief has been administered, and by the rural municipalities. They have had experience in that work, but it was taken out of their hands, I repeat, and turned over to a partisan body with a Conservative organizer at the head of it as general manager. I am going to call to my support in that connection the remarks that were made by an hon. gentleman on the other side of the house, who went even further than I did at that time, and even boasted of the fact that partly on his recommendation his organizer who was responsible for him being here was appointed as general manager of the relief commission. I refer to the hon. member for Moose Jaw (Mr. Beynon). Here is what he says in Hansard:

> Now I come to the general manager, and this was where the ex-Minister of Agriculture took a little slap at myself.

I did not intend it to be a slap because I did not know that my hon. friend had recommended Mr. Daniel. He goes on:

> He said this gentleman organized the Conservative campaign in the constituency of Moose Jaw. That is very true; he did, and that is why I am here.

My hon. friend evidently thought that any organizer who could put him across in Moose Jaw would be all right to put in charge of relief distribution. He went on to say:

What has this man—

That is Mr. Daniel:

> What has this man done? He was called upon, as general manager of this organization, to build an organization from the ground up, and to undertake one of the most momentous tasks ever undertaken in Canada. He could not choose men and women trained in that particular work.

But he discarded an organization that was trained in that particular work:

> He had to go out among the unemployed and the needy and choose his staff and form his

organization. He did that. An organization was built up, with inexperienced people—

That is exactly what I said, although I mentioned a few exceptions, but my hon. friend from Moose Jaw makes no exceptions. He says:

An organization was built up, with inexperienced people, men and women taken off the streets—

Off the highways and byways apparently, compelling them to come in:

—and in a very short time the organization was functioning.

That goes further than ever I did, and I now call on the hon. member for Moose Jaw in support of the testimony that I gave with respect to the inexperienced character of the staff and also with respect to the political character of the staff. No one has disputed anything I said with respect to the political character of the staff . The hon. member for Moose Jaw goes on to say:

There were municipal councils that were wholly non-political, but they were few in number, and while the municipal organizations were administering relief the dissatisfaction was very, very pronounced, as the relief was administered inequitably. That was one of the reasons for discontinuing their services.

That is the first living man that I have ever heard make that statement. For the last twenty-five years, wherever seed and relief was required, it was administered through the rural municipalities, and this is the first time I can recall that that practice has ever been departed from. It is not a sound reason for objection, because it is not a true reason. The municipal councils are not elected on a political or partisan basis. They are not elected for political reasons but purely for municipal reasons, and that is the only reason. Why were the urban councils not also discarded? It is strange that the rural municipalities should be scrapped for relief administration purposes and the urban councils retained. There is no uniformity or consistency there. I think I heard a chickadee voice or something over the way, Mr. Speaker.

Now I come to another phase. The Minister of Agriculture made certain appointments of supervisors, and of course he thought that they were just the real thing. He was not able to be up there himself, he said, and these supervisors had to be appointed. There was some difference of opinion between the Minister of Agriculture and myself with respect to a certain appointment that was made. I referred to one Percy Gordon, a Conservative gentleman in Regina. At one time he was one of my constituents, and I have run across him several times since. In his various capacities he has been known as a Conservative, from the ground up. Between elections he is a very respectable man, but during elections he is ready to do almost anything to win. A few days ago, when making my speech, I hesitated to state whether or not he was directly connected with the Regina Star, or whether he was a director of that newspaper. I am now in a position to inform the house that throughout the provincial campaign of 1929 and the federal campaign of 1930 Mr. Percy Gordon was a director of the Regina Star Co., had been from its inception in 1928, and, so far as I know, still holds that position. So that as a director of that rag of a Tory Star, that head, tail and middle of the anti-French campaign which was carried on throughout the west and particularly in the province of Saskatchewan during the last two election campaigns, he was pretty close to the Conservative campaign organization. I am surprised the hon. member for Long Lake (Mr. Cowan) has not interrupted. The connection of Mr. Gordon with the Star has been broadcast across Saskatchewan not once but many times, and nobody has dared to challenge the accuracy of the statement. I do not hear any hon. members objecting, so I shall proceed.

I should like at this point to direct the attention of the house to some remarks of the Minister of Agriculture (Mr. Weir) concerning promissory notes, and if time permits I shall deal with seed relief. Twenty minutes is a very short time in which to consider this matter, but fortunately there will be other opportunities. I should like to assure the hon. member for Peace River (Mr. Kennedy) that the distribution of seed is going on without interruption. The injection by Premier Anderson of a telegram into the midst of this discussion was a pure political game of bluff, an effort to jack up this government and intimidate the opposition. That is all it was for. He seemed to think that the farmers in the west would be up in arms against us, that they would allege that we were at fault, or that we had delayed the passage of this proposed legislation.

Mr. LOUCKS: That is what is happening. They are up in arms in the province of Saskatchewan.

Mr. MOTHERWELL: I will take my chances.

Mr. LOUCKS: So will I.

Mr. MOTHERWELL: You have not taken any yet by speaking or defending the government. The despatch comes from Regina, through the columns of the Regina Leader-Post, that the relief commission or the pro-

vincial government has negotiated a short term loan at the banks to carry on relief and of seed measures while the matter is being adjusted in this house. So that hon. members may rest easy; relief is going on. Hon. members opposite do not need to worry about it, and certainly they cannot intimidate hon. members on this side of the house. We will do our duty, and at the same time seed will be furnished and relief will go on.

The only complaint I have heard yet is that some of the seed grain supplied was so dirty and smutty that the people thought it must have come from the Tory committee rooms. The government is giving orders on elevators, and the grain is being sent out before it is cleaned. A number of travelling cleaning plants have been secured, and they are perambulating around the country. There is a big jamboree going on over the quality of grain. In some cases the quality is so low there is very grave objection to it. That is the first time I have known of seed grain being sent out by a government in so objectionable a condition.

Mr. LOUCKS: The hon. member sent it out in the same condition.

Mr. MOTHERWELL: Now, Mr. Speaker, did you ever see the like of that? When the hon. member is sitting he seems to be able to cackle, but when he is standing he cannot even crow.

I shall now preceed with certain statements made by the Minister of Agriculture. It is most unfortunate that the ministers responsible for this measure are not in their seats. They are generally away when their presence is most required. In the month of February the minister told us that he met a deputation who took the ground that they did not want charity. Although the minister's statement is in Hansard I shall give only the substance of it, and not take time to quote. The delegation seemed to be of opinion that the seed and relief were to be given free, but objected to such. We must remember that under the five cent bonus some of the farmers received as much as $1,000, but the deputation before the minister was not looking for charity. That deputation may have consisted of only three or four people. Supposing however there were a dozen, we are asked to believe that because a dozen farmers wanted to sign a note the minister decided that all farmers receiving relief should sign notes.

Mr. SPEAKER: The hon. member's time has elapsed.

Mr. MOTHERWELL: I'll have another chance at it Mr. Speaker.

[Mr. Motherwell.]

Mr. MARTIAL RHEAUME (St-Johns-Iberville) (Translation): Mr. Speaker, since I have the opportunity of speaking a second time in this debate, I wish to tell the right hon. Prime Minister of this country (Mr. Bennett) that if he applies the gag rule, he is at liberty to do so, but he has against him the people who have their representatives in this house and who will have the last word the next time, when they will seize the opportunity to avenge themselves. Everybody recalls the famous election act of 1917, that was devised by Senator Meighen to remain in office against the will of the people; but the people had their revenge in 1921, the Conservative party was swept away and entirely disowned by some of the provinces.

Mr. Speaker, during the last election the Prime Minister travelled throughout the country, making all kinds of promises to all classes of the community, specially to the farmers, to whom he promised higher prices for their products, such as butter, cheese, eggs, vegetables and so on. This reminds me of a little incident which was related to me by a farmer of the county of Chateauguay during the last provincial election, in 1931. He had personally heard the Prime Minister address a meeting of farmers at Ormstown. The Prime Minister had said he just had visited the southern part of the province of Quebec and, along the road, he had seen women, assisted by their children, who were busy milking cows; he thought it was a pity to see the prices of milk so low that they would not even pay for the cost of labour. He had also seen whole families picking up and bundling vegetables to take them over to the market, at Montreal, and he knew that they could not get enough out of the sale of these vegetables to pay for the trouble of putting them up into bundles. Mr. Speaker, after these statements and the stand taken by the Prime Minister in depriving the farmers of their markets and increasing their cost of production by raising the taxes on farm implements, can we have confidence in his pledges? His supporters and himself claim that he has fulfilled his pledges, that he had promised an emergency session and we had it, that he had $20,000,000 voted by parliament for the relief of unemployment, so that he kept his promises. But his supporters and himself travelled throughout the country, promising to build bridges and wharves on all lakes and streams, and to give employment to those who would be willing to work. He was then saying: "Put me in office and I promise you that I shall bring comfort, joy and happiness into every home or I will perish in the attempt."

In what way did he try to cure unemployment? He compelled the provincial governments to contribute 25 per cent and the municipalities, 50 per cent, while the dominion was giving 25 per cent. He thus placed some of the provinces and a great number of municipalities on the verge of bankruptcy.

Last Wednesday, replying to the leader of the Liberal party, the right hon. Prime Minister spoke about the elections in Three Rivers and Athabaska. I remember, Mr. Speaker, that many promises were made during the election in Three Rivers, and we have not yet been told by the hon. member for that constituency (Mr. Bourgeois) whether these promises made by his party had been fulfilled. He surely had the opportunity of doing so, but he carefully avoided it. Like many hon. members opposite, he was content with flattering his leader, in the course of his speech on the address.

In his reply, last Wednesday, the Prime Minister referred to the speech of the hon. member of Quebec South (Mr. Power). I realize that the remarks of the hon. member may have hurt his pride. There is a proverb that says: "Spare the rod and spoil the child." Mr. Speaker, there is a lot of truth in the remarks of the hon. member. If the prime minister will coolly peruse that speech, he will find in it a true picture of himself. He is a very intelligent man; everybody acknowledges his many qualities, but he has one failing that surpasses his qualities: he is a recognized autocrat. At the Imperial conference, in the fall of 1930, some minister over there called him names that he did not like and he was not the only one to do it. Prominent Conservatives made some unkind remarks about him. In 1917, a member of the Conservative government, of which he was himself a minister, directed some remarks to him that nobody here would care to repeat; they were reported in Hansard, and anybody can read them. If the Prime Minister would only take notice of these remarks, I think that perhaps he could reform; it would be all the better for his party, and the country would be administered in a constitutional way.

Mr. Speaker, hon. members opposite, in this debate, are putting aside what is dearest to all Canadians, namely the constitution of this country which our forefathers secured at the cost of so many sacrifices. We, on this side of the house, are not ready to sacrifice it to a Tory government. The right hon. Prime Minister, in his speech, on March 23 last, stated that he had a certain task to complete; he says that there is nothing very serious, but I am afraid of such a statement. If there is nothing very important, why does he persist in demanding that blank cheque?

Since I am a member of this house, I have always followed very closely the Prime Minister, and I noticed that he often changed his opinions, according to circumstances. I shall mention a particular instance concerning immigration. On April 21, 1931, he is quoted in Hansard, page 784, as follows:

> That is the story. Let me place before the house one statement shown by figures I have in my possession. Do hon. members realize that during that period of time 104,556 people came into this country from central Europe? They came here, and they are now largely being kept by Canadians.
>
> Most of them are being kept—not all of them—by Canadians, with our taxes.

But let us see what he said on February 11, 1929:

> We have here one of the largest undeveloped areas in the world; we have a very pressing necessity for more people. There need be no misapprehension about that, notwithstanding what has been said from time to time to the contrary. It will be found that the increase of population in this country, brought about through bringing additional people in, will not only lessen unemployment for those who are now in it, but will increase all employment.

Mr. Speaker, when the Prime Minister of a country makes such a statement, and two years later recommends the very opposite, and blames the Liberal party for not fostering immigration to the utmost, I have a reason to say that he changes his opinions whenever it answers his purpose.

Let us see now what his colleague, the hon. Minister of Railways (Mr. Manion) said, when he was in the opposition. I quote Hansard, page 2746, of 1929:

> My complaint is not so much that the number of British immigrants is not larger, as that our immigration of all classes is much too small. . . . . I submit that we could take many times the numbers of people of all kinds than we are getting at the present time.

Whenever it answers their purpose, hon. gentlemen opposite blame the Liberal party for having fostered immigration to the utmost, but they were pleading themselves in favour of immigration when they were in the opposition. In view of such inconsistency, I am wondering whether we have not some good reason to be apprehensive of the future, for I know that the Prime Minister is not the man who would change attitude, when it is a question of serving his political ends.

Mr. Speaker, one more word, and I am through. I would like the hon. Minister of Marine (Mr. Duranleau), whose constituency is next to mine and which is one of the most

beautiful districts of the province of Quebec, and the hon. Postmaster General (Mr. Sauvé), the great supporter of the farmers in the Quebec legislature, to urge upon the Prime Minister and the members of the cabinet, the necessity of doing something for the farmers of the eastern provinces. In my constituency, and others that I know, there are farmers who are on the verge of bankruptcy, and others are too poor to buy their seed. Special attention is given Saskatchewan, but it is not the only province that is suffering. The hon. member for Regina (Mr. Turnbull), in his speech on March 18 last, appealed to us to assist his province. I would suggest to the hon. member to tell his prime minister, Mr. Anderson, if he needs the support of other parts of this dominion, if he requires their financial assistance to pay the debts of that province, to think of the province of Quebec which will probably pay a big share of the relief appropriation and to think also of the French Canadians and Catholics of this country, who will certainly not refuse to give. But I would ask him, in return, to give the French Canadians and Catholics of his province the same treatment as we are giving to other races and creeds in the province of Quebec. In Quebec we are just like brothers, we respect the minorities and consider that we are all Canadians, irrespective of race or creed.

Mr. VINCENT DUPUIS (Laprairie-Napierville): Mr. Speaker, you have the responsibility of presiding over this assembly of free men who, because of the action of the constituted authorities, are in actual danger of losing their status as representatives of the people—people whose ancestors through the centuries have struggled to obtain the right to control the administration of their own affairs.

Is there any good reason for the government to take this course? What is the state of affairs at the present time? Apparently Canada, like all other countries, is seriously affected by this industrial and economic crisis. Industry is upset; commerce is not only stagnant, but topsy-turvey; capital, accumulated in the hands of the few, is kept hidden behind steel doors; our unemployed are starving and in a state of indescribable misery, while those engaged in the cultivation of the soil—our farmers, the most important class in the community—are unable to sell their products, and in fear of becoming destitute in the midst of plenty. At the same time they are astounded to find that although their barns are filled to capacity many of their fellow Canadians lack the necessaries of life.

[Mr. Rhéaume.]

These conditions are the common lot of all the nations of the civilized world. Did this government do, as all other governments did, their utmost to prevent any aggravation of the crisis? No; because of their vain pride they attempted to live up to all the promises they made. They promised to close the door to all foreign goods, thinking that was the cure for low prices, and they raised the tariff to new heights. The result has been that other nations have applied the policy of an eye for an eye, and our producers find themselves in a still worse condition. In a desperate attempt to redeem their pledges the government spent hundreds of millions of dollars in an endeavour to rescue labourers and farmers from unemployment, but it has been established that only thirty per cent of the money spent went to the working men. Now this same government is throwing on the streets hundreds and thousands of civil servants and other employees under their control, thus increasing unemployment while they profess to diminish it.

The capitalists, in their turn, instead of lending their money in order to encourage trade and industry, refuse to make any investments, and what is more serious and less comprehensible, these same capitalists, wishing to secure their usual income even during the depression, had their representatives in the cabinet who carried out the so-called national loan, supposedly to meet the present emergency, at a rate of interest so high that all the money available flowed into the treasury of the government. The small industries and the farmers in great need could not get the necessary capital to maintain their credit, and these were left with no alternative than to go bankrupt or perish in the attempt. Because the suffering people of this country, witnessing what was happening, came in delegation after delegation to protest while we were here assembled, the government found it more expeditious to accumulate in the hands of the executive all the powers of government, legislative as well as executive, and so get rid of the representatives of the people whose duty it is to be vigilant in their control of the executive.

What are the arguments advanced by members of the government in justification? In answer to the suggestion of my right hon. leader (Mr. Mackenzie King) that the constitutional way was to bring in a supply bill, the right hon. Prime Minister (Mr. Bennett) said, if I might condense his statement, "In our judgment"—and of course in the mind of the Prime Minister that meant in his judgment —"to ask for any particular sum of money in

the form of a supply bill would not meet the situation." And that was all. This reminds me of the way he disposed of the arguments of his opponents during the last campaign. Speaking at Caughnawaga, in my constituency, on June 9, 1930, the Prime Minister was met with the contention that he had been responsible for the blocking of a bill in connection with the construction of a bridge in that vicinity. In reply to that argument, which was unanswerable, he said, "Well, take a good look at me and see if you think I am a man who would do that."

In the speech made by the right hon. gentleman on March 23, he disposed of the suggestion of my right hon. leader by asking, "Since when has the government been led by the minority." In answer to that I should like to remind the Prime Minister that under our parliamentary system the loyal opposition is not here to govern but to offer legitimate criticism and bring forward useful suggestions. If the Prime Minister does not accept this interpretation of the duties of an opposition I would ask him what he thinks about several instances in the history of our own and other countries. For example, in 1775 the majority refused to grant the legitimate demand of the thirteen colonies of America—

Mr. GOBEIL: I rise to a point of order, Mr. Speaker; the hon. gentleman has been reading his speech from the start.

Mr. SPEAKER: I hope the hon. member will keep himself within the rules in that regard.

Mr. DUPUIS: I am just quoting some instances, Mr. Speaker, and if the hon. gentleman takes up my time in this way it must be because he is afraid of what I am going to say.

Mr. GOBEIL: The whole speech is a quotation.

Mr. DUPUIS: If the hon. gentleman is afraid now of what I am going to say he will be much more afraid at the next election. I was going to say, Mr. Speaker, that in 1775, when the thirteen colonies fought for their liberty, they did not constitute the majority, but they were fighting for that principle of responsible government to which we have adhered ever since, no taxation without representation. The hon. gentleman who just interrupted apparently does not remember that; he seems bewitched by his chief, because apparently he is unable to utter a single word of protest with regard to a policy which takes us back three centuries. Apparently my hon. friend is pleased to be taxed without being represented. Among the citizens of those thirteen colonies there were some who, wishing to be loyal to their king, left all that was dear to them, their goods, their homes and the country of their adoption, and came into Canada. They did so because to them loyalty was dearer than security. Will the Prime Minister say that they were wrong because, as a minority, they came here? I hope not. Let us come to the year 1837 in our own history. At that time the citizens of Lower and Upper Canada, although in the minority, fought that oligarchy which was then known as the Family Compact. Where was the power? Where was the majority? It was to be found in the parliaments at Quebec and Toronto. And who fought for liberty, who fought to ensure that the representatives of the Canadian people should come within the precincts of parliament in order to control the spending of money and to control the executive? It was the minority of that time, led by the Papineaus and the Mackenzies. Is the Prime Minister prepared to say that they were wrong? I know he will not say that.

Let me now dispose of another argument. It is contended by my right hon. friend that if we do not vote for this legislation the farmers of the west will be deprived of their seed grain, their fuel and their feed, and that we on this side shall be responsible. That reminds me, Mr. Speaker, of the strategy of some generals in the war. With the enemy in front of them, and with some strategic point in danger, forgetting the ordinary and elementary laws of human nature, they took the wives, the old people and the children of the enemy and gave orders to their own soldiers to push these defenceless creatures before them at the point of the bayonet, making of them a curtain or veil to prevent the enemy from firing upon themselves, because they knew that the enemy would not fire upon their own kith and kin. That is the same strategy, the same plan as is adopted by the government to-day. Hon. gentlemen opposite know that the people in the west are dear to us. They know that there is not a family in eastern Canada that has not friends or relatives among the people of the west. The Prime Minister knows that; he knows that the people of western Canada are as dear to us as they are to him. And so he threatens us, saying that if we do not vote for this measure the responsibility will be ours for the people of western Canada being deprived of the necessaries of life. I say that is not a proper way to handle the affairs of this country. The Prime Minister must know that not a single farmer in the west will be

deprived of his grain as a result of our protest against this act of oligarchy on the part of the present government in denying members of parliament the right to control the executive. As he has said in some of his speeches, he spent $71,000,000 to redeem the credit of the western provinces; and he went to considerable trouble in the first part of his speech on this subject to point out that, according to certain judgments of Lord Haldane's quoted by him, the responsibility for coming to the rescue of the unemployed and of the farmers rests with the provinces and not with the dominion. He knows that the provinces, having their credit restored by act of this government, will see that the citizens, in their respective territories, will be given relief. He has no right to fool the people. I would remind him, in the words of Lincoln, that while he may be able to fool all the people some of the time, or some of the people all of the time, he will not be able to fool all the people all of the time.

When the Prime Minister and his colleagues have lost all hope, they play up Providence. Last year we heard him from Vancouver to Halifax saying to the Canadian people: "Just a moment. I promised you lots of things and I am unable to redeem all my promises; but wait; Providence will come to your rescue." Allow me to give the opinion of a great statesman, Woodrow Wilson, in his book The New Freedom, to show what he thought of those who played up Providence in this way.

Mr. SPEAKER: The hon. gentleman has spoken twenty minutes.

Hon. P. J. VENIOT (Gloucester): At the risk of being regarded as perhaps too persistent, I am going to deal once more with the method adopted in the expenditure of federal relief money in the province of New Brunswick; and if I take advantage of this opportunity to do so again it is because of the difference, which seems to be a vast one, between the Minister of Labour (Mr. Gordon) and myself, touching certain statements made by me first on February 23 and again on March 8, in discussing the expenditure of unemployment relief money in the county of Gloucester.

On February 23, referring to complaints made by me in detail, and submitted to Mr. Carter, a gentleman sent from Ottawa to investigate complaints in Gloucester, the Minister of Labour from his seat in the house contradicted my statement that this was federal unemployment relief money. He stated that the complaints made by me referred to roads on which New Brunswick provincial money had been expended and that not one cent of federal money was spent on those roads. It is not my practice to make, in a deliberate body, statements like this without being in a position to back them up. When I made that statement on February 23 I had personal knowledge of the facts and I refused to accept the statement then made by the Minister of Labour.

I wish now to justify my action. I hold in my hand a reply to a notice of inquiry made on Friday, March 4, by Mr. Richard, member for the county of Gloucester in the local legislature. He asked for the names of the roads in Gloucester county upon which federal money had been spent. The Minister of Public Works of New Brunswick laid before the legislature this statement which I hold in my hand and which comprises some seventy-five roads upon which federal money had been expended, and every one of the roads that I mentioned in my speech of February 23 is to be found in that list. On that occasion I also spoke particularly about the amount of federal money spent on what is known as the East Bathurst or old Miramichi road, and again the Minister of Labour interjected that not one dollar of federal aid had been expended on that road. I have under my hand reply to inquiry No. 7, made on the floor of the New Brunswick legislature and containing the following questions:

1. What amount of money was paid for work done on the old Bathurst road from East Bathurst going towards the Miramichi road, during the months of October and November last?

The answer was:

$17,266.60.

The next question:

2. Was the work performed under the federal employment relief?

Answer:

Partially—$11,870.35, unemployment relief; $5,396.25, provincial funds.

Let me go further. On that occasion I also stated that nearly every dollar expended on the projects approved by the federal Department of Labour for unemployment relief in the county of Gloucester on November 26, 1931, had been expended months before the projects were approved. I hold in my hand reply to notice of inquiry for Tuesday, March 8, made in writing and submitted to the New Brunswick legislature by Mr. Doucet, provincial member for the county of Gloucester. These are the questions that were asked:

1. What amounts were expended in the county of Gloucester during the months of

June, July, August, September, October, November and December, 1931 on: (a) permanent roads; (b) secondary roads; (c) by-roads; (d) patrol; (e) ordinary bridges; (f) permanent bridges? In answering set out in detail, amounts spent in each above-mentioned service per month—not lump sums.

2. Indicate what portion of the above sums have been paid out of: (a) provincial funds; (b) federal unemployment or other sources?

The answer is:

1 and 2 answered on attached page.

I hold in my hand a return laid before the New Brunswick legislature reading as follows:

Main Trunk Roads

Month—	Provincial funds	Federal unemployment
June. . .	$ 519 06	$1,354 08
July. . .	1,356 74	10 50
August. .	4,492 57	——

I wish to draw the attention of the house to the next two months, September and October, the period when we were carrying on the by-election in that county. What do we find? The figures are as follows:

Main Trunk Roads

Month—	Provincial funds	Federal unemployment
September.	$ 337 45	$6,376 77
October. .	1,630 70	4,834 79
Secondary and Branch Roads		
September.	$ 35 30	$3,992 85
October. .	....	4,197 67

Then we go down the line and we come to patrol—patrolling the roads:

Patrol

Month—	Provincial funds	Federal unemployment
September.	$1,239 98	$1,640 22
October. .	925 60	415 33

Those were the months of the by-election.

Month—	Provincial funds	Federal unemployment
November.	347 04	381 86

I include November in this because I wish to point out that federal aid for unemployment relief, to give work to those out of employment, was used to the extent of $2,550 in the county of Gloucester in September, October and November, to pay the salaries of men regularly employed in that county. These men are permanently employed under salary, and it was not relieving unemployment in Gloucester county to use federal aid that was voted by the house to help the unemployed, to pay the salaries of those regular patrol men.

Let me speak now of the province as a whole. The government of New Brunswick charged up to the federal aid fund the patrolling of the roads in nearly every county in that province. This is a misuse of money that was voted to relieve unemployment. If hon. members will look at the figures for September and October, when we were in the heat of a political battle in Gloucester county, they will find that in those two months alone the provincial government spent $27,000 which they charged up to the federal relief fund. If, as the Minister of Labour stated, in regard to the complaints I made of the manner in which that money was spent, it was not expended under federal aid, then the dominion Department of Labour is entitled to ask the province of New Brunswick to refund to the federal treasury the amount thus charged. I believe the minister has been led astray; I know he would not deliberately mislead the house; but if he got from the New Brunswick Minister of Public Works the information on which he based his interjection to me and which gave him grounds for saying that no federal money was expended on the roads in regard to which I complained, he was led astray by that gentleman. If Mr. Carter, when he went down to Gloucester county to examine into the expenditures there, and his attention was drawn to the padding of the pay sheets for the 26th day of October on the east Bathurst road, or the old Miramichi road so-called, was informed by the Department of Public Works of New Brunswick that no federal money had been spent on that road, then Mr. Carter was led astray, and in consequence of having been led astray in that manner he led his minister astray and the minister gave to this house information that had no foundation. I hold in my hand, and I think I have read this before in the house, the proof that in the month of October there was practically $12,000 of federal aid spent on the east Bathurst or old Miramichi road. I have also in my hand absolute proof from the lips of the Minister of Public Works of New Brunswick himself that I correctly stated the situation on the floor of this house when I said that the pay sheets for the 26th of October had been padded and that the names of hundreds of men had been placed on the pay sheets as working under the federal relief fund when they had never done a tap of work that day. They were induced to go to the polls and vote for the provincial government candidate on that day on the understanding that their names would be placed on the pay sheets, and their names were placed on the pay sheets. If this house wants any better proof than my word, I have here the words of the Minister of Public Works of the province of New Brunswick speaking in the legislature of New Brunswick on the 22nd of March last. What did he say? I am going

to read it and I hope that I shall have time to read it all:

Mr. Stewart—

That is the name of the Minister of Public Works of New Brunswick:

—also reiterated his statement that the statement made in Ottawa by Hon. Dr. P. J. Veniot, ex-Postmaster General, regarding roadwork in Gloucester county last fall had been substantially disproved.

He reiterated that statement. Mr. Stewart also said:

There was in the possession of his department documentary evidence which disposed of three of Hon. Dr. Veniot's allegations.

He does not name those three allegations. They are only three out of about fifty that I made. He went on to say:

The former Postmaster General had made the assertion that two hundred men who did not work that day were on the payroll of the east Bathurst road on October 26, 1931, the day of the Gloucester by-election, and had been paid out of unemployment relief funds.

"Now this is absolutely false," Hon. Mr. Stewart said. Continuing, he further said: "While it was true that some men were down on the pay roll of the East Bathurst Road as having worked on the day of the by-election, he had ordered these erased. Subsequently the department had received authentic information that some of the men had worked."

Let me right here correct the Minister of Public Works of New Brunswick. He cannot find in Hansard or in any interview that I ever gave to the press anything to show that I ever said that those men had been paid out of the federal relief fund. What I did say was that the pay sheet was padded with the names of men who had not worked, and when Mr. Carter came to Bathurst I drew his attention to it and asked him to see that those men would not be paid for that day's work because they did not earn the money. I never said that they were paid out of the federal relief fund.

Mr. GORDON: What seems to be your difficulty, then?

Mr. VENIOT: They were placed on the pay sheet to be paid, and if I had not made the complaint they would have been paid.

Some hon. MEMBERS: Oh, oh.

Mr. VENIOT: It is not a joke. I will go further. Mr. Carter is right here in the city. Mr. Carter called in the timekeeper on that work, Mr. William Gallagher.

An hon. MEMBER: Let 'er go, Gallagher.

Mr. VENIOT: That is right, let 'er go Gallagher, and that is what they did; they "let 'et go" for all that Gallagher could go that day. Mr. Gallagher told Mr. Carter that it was unaccountable. He could not understand how it was that these men were put on the pay sheet, but perhaps his assistant could give the information. His assistant was a young boy by the name of Caie, a schoolboy. He was sent for, and as soon as he came into the hotel room to Mr. Carter he started crying because he knew that he was going to be called to account for something that he had done wrong. Mr. Carter told him that he had nothing to fear, that all he wanted was the truth, and the boy was asked if he had put these men's names in the time book. He said yes. Then he was asked, under whose orders, and he said, "My father and Will Gallagher." Now Mr. Carter has that information. He does not need to go to Gloucester county and make another investigation to ascertain whether I am telling the truth or not. I will let him report to the minister. That money was federal money and provincial money combined, and the Minister of Labour stood up in this house the other day and said that not one cent of that money was federal aid money. I am not blaming the minister. He acted upon the information, the wrong information, given to him by the authorities down in New Brunswick.

Mr. GORDON: Go ahead. Don't mind me.

Mr. VENIOT: If I wanted to hit the minister on this, I could do it perhaps, but I do not think there is any need of it. All I want the minister to do now, seeing that I have given him the evidence of what took place in the legislature of New Brunswick, where the Minister of Public Works for the province stated that my statement was correct when I said that this money was unemployment relief money—

Mr. SPEAKER: The hon. member's time is up.

Mr. VENIOT: I will come back.

Mr. ECCLES J. GOTT (South Essex): Mr. Speaker, up in Essex county we do things a little differently from what they do in New Brunswick.

Mr. VENIOT: Especially onions.

Mr. GOTT: Yes, especially in onion growing. I have an onion here which I desire to present to the hon. gentleman as a compliment from the onion growers of the county I have the honour to represent. I want to say to the hon. gentleman:

Carrots get by on their colour,
Spinach gets by on its rep,
Lettuce or beets for vitamins eat
But give me the onion for pep.

Silver-skinned onion or Spanish,
Or little ones green on the top,
They build up physique, make you strong where you're weak,
But socially cause you to flop.

For even the mildest of Essex
Will not be forgotten when gone
'Tis not erratic but very emphatic
Their melody will linger on.

In presenting this onion to the hon. member for Gloucester, with the compliments of the onion growers of South Essex, I want to say to him that we grew eight hundred thousand bushels of onions in Essex and Kent counties in 1931, and instead of selling them at one dollar a bag, as we did last year, we sold them for two dollars a bag, and had a complete sell-out.

Mr. VENIOT: If my hon. friend cannot grow better onions than that in his constituency he has nothing to crow about. We can grow better than that in Gloucester.

Mr. GOTT: Only a small sample, but a good one. Not a single charge has been made that one solitary penny for unemployment relief in Essex county has been misappropriated. I should like to add that the hon. member for South Perth (Mr. Sanderson) was radical in his statements that unemployment relief measures had become a political football in the province of Ontario. Of course we expect the hon. member to make such extravagant statements. During the last election campaign he and the hon. member for Quebec South (Mr. Power) came into Essex county, and in a vein of ego he said, "I want to leave this man Gott to the people who know him best." He was speaking before 199 Liberals who managed to attend a Liberal convention —just imagine, 199 at a Liberal convention. Picture the ego displayed by the hon. member for South Perth. I thought I should look into his record and compare it with mine. I found that in 1921 there was a Liberal majority of 325 in the town of Amherstburg, my home town, and in 1925 they gave me a majority of 295 whereas in his own town of St. Marys, where they know him best, his opponent had 508 of a majority. Those are the people who know him best.

In this debate the Prime Minister (Mr. Bennett) has been charged with everything but the theft of the Lindbergh baby. The hon. member for Gloucester (Mr. Veniot) made the same speech to-night that he made a couple of weeks ago. A year ago the opposition adopted similar tactics. They selected an item of $5,000 in the estimates of the Department of Agriculture, and debated it for twenty-two days. Then in fourteen minutes they passed estimates to the extent of over $27,000,000. This resolution should have been carried without opposition. All hon. members were hoping that the session would be completed by the end of April, but after listening to a debate on a resolution such as the one now before us, which should not have been debated at all, we cannot tell how long we will be here.

At this point I should like to read from the Toronto Globe concerning the hon. member for West Elgin (Mr. Hepburn), the dual leader of the Liberal party in the province of Ontario who referred to me as the minister of onions. I want to say to him that he never was a minister, never will be a minister, never was a leader and never will have a party to lead, because he is not the recognized leader of the Liberal party in the province of Ontario to-day. Here is what the Toronto Globe has to say about this great dual leader of the Liberal party, the wizard of repartee:

Mr. Mitchell F. Hepburn did not exhibit the wisdom and fairness expected from either a member of parliament or a provincial political leader in taking advantage of his privilege to state in the House of Commons that he believed the Sun Life Company was insolvent. Mr. Hepburn should realize that the spreading of such a view in the public records and before the people of the country is liable to have an unfavourable business effect. Had he made the statement outside of parliament he might be called upon to prove it, and in all probability he would avoid such liability. Is there any reason why a public man should be less careful in making speeches where he knows he is immune from the courts?

The Globe recently has criticized rather sharply the practice of politicians making allegations in public for political purposes without having convincing proof behind them. There could have been no political end served by the charges made three days ago in parliament concerning two insurance companies; hence not even this excuse is available. Premier Bennett had no misgivings as to the solvency of both companies. Therefore the worst possible view that might be justified was that a difference of opinion existed. Surely in such a case it is wise and patriotic to give a business institution the benefit of the doubt in these times of stress, when no constructive advantage could be gained by condemning it.

The fact that Mr. Hepburn made this allegation in the House of Commons is not proof that he was right. He knew he could not be called upon to submit proof; and if he wishes to measure up to leadership heights he should guard carefully, both in the house and out, against speeches which do not carry a sense of responsibility.

There is an editorial from the Toronto Globe—

An hon. MEMBER: A Tory paper?

Mr. GOTT: Yes, a good Conservative paper. I think the hon. member for South Perth should be absolutely ashamed of him-

self, after his remarks before a gigantic meeting in the city of London. On that occasion 75 were present. I shall read from the London Free Press the words of the hon. member for South Perth, words he would not have dared to use in the House of Commons. However when he appears before a large assembly of 75 Liberals in that wonderful city of London, he makes rash statements. The hon. member for West Lambton (Mr. Gray), the illustrious gentleman, during the course of his remarks at London said that he was speaking in the heart of Liberalism, despite the fact that the hon. member for London (Mr. White) sits in this house after securing a majority of over 4,000 votes. Yet, we are told by the hon. member for West Lambton that London is the heart of Liberalism in western Ontario. The hon. member for South Perth is reported in the London Free Press as follows:

> Thereupon the Liberal whip switched his remarks back to his own fold, federal politics, and took up most of his time in launching a personal attack upon Hon. R. B. Bennett in which he termed the Prime Minister "a great believer in himself: not the type of politician who hated himself: ruthless to an opponent; thin-skinned, and one who cannot stand criticism."

What do hon. members think of remarks like this by a fellow member of this house? Then the article continues:

> Major Sanderson doubted very much if anything of benefit to Canada would come out of the Imperial conference.

Let me say that nothing would come of the Imperial conference if the hon. member for South Perth could prevent it. He would oppose for political purposes anything which might be of benefit to the Dominion of Canada. I shall repeat the article in the Free Press:

> Major Sanderson doubted very much if anything of benefit to Canada would come out of the Imperial conference to be held in Ottawa this summer, if the Premier stuck to his present politics. He asserted the members of the opposition are ready to cooperate with the government any time for the benefit of Canada, but that Mr. Bennett will get all the criticism the opposition wishes to give him.
>
> After considerable reference to the plight of agriculture . . .

The plight of agriculture; that is amusing. After nine years of Liberal administration we have an hon. member opposite talking about the plight of agriculture, despite the fact that during the year 1928, owing to the Australian trade treaty, the farmers of this country lost $80,000,000. The farmers of Canada began to slip as soon as the treaty was operative. The adverse trade balance with the United States from the year 1921 until the Mackenzie King government was routed at the polls in 1930 was upwards of two billions of dollars. The last year the Liberal party was in power there was an adverse trade balance with the United States of approximately $400,000,000.

An hon. MEMBER: Attaboy!

Mr. GOTT: Yes, "attaboy!" The hon. member from Provencher (Mr. Beaubien) who read from the prayer book the other day, said he was sincere in his remarks and referred to the prayers of the House of Commons. Let me say to him that if he does not put more sincerity into his prayers than he put into his speech the other day the devil will get him when he completes his earthly toil.

Mr. BEAUBIEN: May I be permitted a question?

Mr. GOTT: No. The hon. member would not permit me to ask him a question the other day when he had the floor, and I will not permit him to ask me a question now. The hon. member for Quebec South who is sitting right in front of the hon. member for Provencher, came into my riding in 1930. I was glad he came there because wherever he spoke I had a large majority.

To hear hon. members opposite talk about the plight of the farmer is an insult to intelligence and makes me smile. For nine years they refused to give one solitary bit of consideration to the farmers of Canada. As I said a moment ago, the action of the King government in 1925 in arranging a trade treaty with Australia did more to demoralize our farmers than any trade treaty ever negotiated by any government since Confederation.

An hon. MEMBER: What about the price of butter?

Mr. GOTT: You ought to know something about the price of butter because you slipped on it in 1930. I will say something about butter.

An hon. MEMBER: What about the price of eggs?

Mr. GOTT: Well, I will say something about the price of eggs too. But let me deal with butter first. In 1920 this province exported upwards of 20,000,000 pounds of butter to the United States. In that year the dominion exported to the United States over 20,000,000 pounds.

An hon. MEMBER: Not now.

Mr. GOTT: Of course, we don't export butter to the United States now. I will tell you why, if you will listen to me. In 1920

the United States' tariff on butter was only 2 cents a pound and they imported 36,000,000 pounds; they raised their tariff to 4 cents and the imports decreased to 18,000,000 pounds; then they raised the tariff to 6 cents, 8 cents, 10 cents and finally to 12 cents a pound. What was the result? You say, "Not now." Certainly we don't export butter to the United States now, simply because their tariff excludes our butter now. You cannot sell a pound of butter in the American market to-day; it is prohibited. That is why we don't export butter across the line now. But what about the Australian trade treaty and its extension to New Zealand by order in council; what result did that bring about? Before the King government was defeated in 1930 it resulted in the importation of 100,000,000 pounds of butter to compete with butter made by the farmers of Canada. No wonder the hon. gentleman says butter does not go into the United States now. The United States government will not permit it.

An hon. MEMBER: What about the price?

Mr. GOTT: What do you know about the price of butter? Why, Mr. Speaker, the hon. gentleman actually referred to the plight of the farmers. How could our farmers help being in a condition of depression after nine years of government such as we had until hon. gentlemen opposite were defeated in 1930? I should like to know if one person could tell me of one solitary thing that was done for the farmers of Canada from 1921 to the 28th day of July, 1930.

Mr. POULIOT: Conditions were better.

Mr. GOTT: I understood that the station at Riviere du Loup had been thoroughly fumigated and that all the bugs in that riding had been killed; but I see there is one left who has made his way to the House of Commons. Let me say to the hon. member for Témiscouata (Mr. Pouliot) that he is sitting in this house for the last time. He is here by virtue of a majority of 117; he had 2,000 majority in 1926. The next election will leave him like many others opposite—at home. The hon. gentlemen who will be left at home will include the hon. member for West Elgin and the hon. member for South Perth. I want to say another word to the hon. dual leader of the Liberal party.

Mr. POULIOT: He will be Prime Minister of Ontario.

Mr. GOTT: There will not be ten Liberals elected in Ontario under the leadership of the hon. member for West Elgin.

Mr. POULIOT: You are a charming speaker, but a poor prophet.

Mr. GOTT: I don't think the hon. member will be leader of the Liberal party when the next Ontario election is held. Listen to this from that good, old Tory sheet, the Toronto Mail and Empire of Friday, March 11—

The ACTING SPEAKER (Mr. Pettit): The hon. member has spoken for twenty minutes.

Mr. GOTT: I regret my time has expired, Mr. Speaker for I had merely commenced my remarks.

Mr. F. G. SANDERSON (South Perth): Mr. Speaker, in my limited time of twenty minutes I shall not be able to deal with my hon. friend from South Essex (Mr. Gott)—

Some hon. MEMBERS: Oh, oh.

The ACTING SPEAKER (Mr. Pettit): I must ask hon. members to keep better order.

Mr. SANDERSON: Thank you, Mr. Speaker.

An hon. MEMBER: Don't mention it.

Mr. SANDERSON: I do not want to waste much of my twenty minutes on my hon. friend, but I marvelled at his participation in this debate. In the old days there was always a court jester, whose duty it was by his buffoonery to revive the spirits of the king and his court whenever they were despondent. I think we have had a good example of the necessity for a court jester to-night, when the buffoon of the house, the clown from South Essex, was put up to revive the drooping spirits of the government and its supporters.

Some hon. MEMBERS: Order.

The ACTING SPEAKER (Mr. Pettit): The hon. member should refrain from using such epithets.

Mr. SANDERSON: Mr. Speaker, if he is not a buffoon I do not know how to characterize him.

Some hon. MEMBERS: Order.

Mr. SANDERSON: I will deal with my hon. friend from South Essex at some other time, when I shall have more than twenty minutes at my disposal.

Mr. GOTT: I will take you on at any time and in any place.

Mr. SANDERSON: Now, Mr. Speaker, I should like to say a word or two on the subject before the house.

Some hon. MEMBERS: Hear, hear.

Mr. SANDERSON: I ask you, Mr. Speaker, to keep order. If hon. members who support the government have not enough courage to get up and defend the government, for heaven's sake let them keep quiet when someone else is trying to speak.

If I may be permitted to go on, Mr. Speaker, I want to say that during this debate there has been a tendency on the part of the few ministers and hon. members opposite who have spoken to blame the opposition speakers for prolonging the debate and preventing money from being spent throughout the country for unemployment and farm relief. In that connection I want to quote from the speech of the Minister of Agriculture (Mr. Weir) as it appears on page 1344 of Hansard for March 22:

Hon. Robert Weir (Minister of Agriculture): Mr. Speaker, I have sat here day after day listening to the debate on this resolution hoping against hope to see it end, with the full appreciation that I have of the incalculable danger of suffering that is liable to occur if the debate should be prolonged to such an extent as to make it too late, especially for the farmers in western Canada, to receive the seed grain which they need so badly for this year. Moreover, the prolongation of this debate has held up the machinery to look after the problem of unemployment relief work throughout the dominion to such a degree that great distress has been caused, which perhaps few members of the opposition seem to realize.

That is rather a strong statement to come from a minister of the crown. I see the Minister of Trade and Commerce (Mr. Stevens) and the Minister of Labour (Mr. Gordon) in their seats, and I should like to ask any minister or any hon. member opposite if the government have received a single complaint from one end of this dominion to the other, or if they can name any specific case where suffering has not been relieved and could not be relieved because this debate has proceeded.

Mr. GORDON: If the hon. gentleman really is serious in directing that question to me as Minister of Labour I will answer him and say yes, we have received many complaints from municipalities, from provinces and even from individuals.

Mr. SANDERSON: Would the minister give me a specific case?

Mr. GORDON: I could give the hon. gentleman a long list.

Mr. HACKETT: The city of Montreal, for one.

Mr. SHORT: And the city of Sydney for another.

Mr. SANDERSON: It is quite apparent that the government have no cases to cite. If hon. gentlemen opposite will just possess their souls in patience I want to say something now about the Prime Minister and the speech he made in this house on March 23. Before I go on to his speech, however, I should like to refer back to the debate which took place in this house during the session of 1931. In the dying days of that session, after parliament had been in session from March 12 to August 3, the government brought in this blank cheque legislation. What reasons were advanced at that time by the Prime Minister? If I had time I could read those reasons from Hansard, but unfortunately I have not the time. The Prime Minister advanced two main reasons, and one was that he feared that before he could call parliament together some great emergency might arise in the country, and the government should have unlimited power with regard to financial and other resources to deal with such emergency as and if it arose. Yet we find that even with parliament in session now the same government comes back asking for an extension of that legislation until May 1. Another reason given by the Prime Minister last year was that if a specific amount was voted by parliament, say $100,000,000, or $150,000,000, that amount might be too large, and as a result the provinces and municipalities might get more than their share. I am summarizing the exact words of the Prime Minister. Could any argument have been weaker? Now the government come along and practically say to the elected representatives of the people of this country, "We want to run this country. We will run it. We do not need you here and you might as well go home."

Mr. COWAN (Long Lake): You would be better there.

Mr. SANDERSON: My hon. friend from Long Lake (Mr. Cowan) could have gone home months ago and we never would have missed him in the house. So we have the same autocratic government coming back to this parliament for another blank cheque, the most despotic piece of legislation this country has ever seen. I hope parliament will never have another piece of legislation like it.

Let us look at the Prime Minister and his cabinet, and we may find some reason why they require this unlimited power.

Mr. GORDON: You mean blankety-blank cheque.

Mr. SANDERSON: During the campaign and the special session which followed it the Prime Minister used to say that he was a man who thrived on difficulties. He was a miracle

man then but a few months ago he said he had come to the conclusion that only the grace of God would save this country. When I read that I thought to myself that it was an admission by the Prime Minister the superman, that at least one was mightier than he.

How many ministers of this government have risen in their places to defend this legislation? It is true that the Minister of Agriculture and the Minister of Trade and Commerce did so. I see my friend the Minister of Trade and Commerce in his seat and I will pay this tribute to him: I used to listen to him sometimes with a great deal of pleasure when he was in opposition. He is resourceful in debate, but he made a woeful mess of his case the other day. In the bottom of his heart he knew that he was defending something in which he did not believe, and his defence of the government was rather pitiful to hear. The Minister of Railways and Canals (Mr. Manion) also defended the government in one of his fiery stump speeches which perhaps would have sounded better out on the hustings than in this House of Commons. But what about the Minister of Justice (Mr. Guthrie)? Should he not be here to defend this legislation? The Minister of Justice is perhaps the minister who should bear the brunt of a debate such as this. I would not expect the Minister of Public Works (Mr. Stewart) to defend this legislation, though the other day the Prime Minister said, almost with tears in his eyes, that opposition members were criticizing the cabinet because they did not assert themselves. The Prime Minister said, "I want to tell the house and the country that we have many differences at cabinet meetings; we do not always see eye to eye. I have great difficulty with some members of the cabinet."

I should like to know who are those members. Can anyone imagine the Minister of Public Works combating the Prime Minister? Can anyone imagine even the Minister of Justice, in this late day, when he is nearing the end of his political career and is looking forward to something else, combating the Prime Minister? It is quite obvious that the Minister of Labour never combated the Prime Minister or he would not have been elevated to his present office. They take it lying down and sitting up; there is one man at the head of this government all the time, and that is the right hon. Prime Minister. Then I come to the Minister of National Defence (Mr. Sutherland) who is a good friend of mine. I do not think he ever combated the Prime Minister. The great trouble, Mr. Speaker, is that the government are in a hole; they know that is so, and they are in that hole because of their own blunders. The record of this government has been one blunder after another since they took office on August 7, 1930, and they are now asking for sympathy. They say that the opposition is criticizing them and they are pleading for sympathy. They do not deserve any sympathy and I can assure them that they are not going to get any sympathy from the people of this dominion anywhere from coast to coast. The people are going to seize the first opportunity they have to turn them out of office because they came in on promises which they have broken and they have carried on the most bungling government we have ever had in this country.

An hon. MEMBER: Except one.

Mr. SANDERSON: My hon. friends across the way do not like this; they are very sensitive.

Some hon. MEMBERS: Oh, oh.

Mr. SANDERSON: Let me say to hon. gentlemen who are jeering over there that they have not the courage to get up and defend this legislation. I could name some of those gentlemen but I will not honour them by doing so. They are the most docile lot of sheep I ever saw. They will follow this government everywhere, although they would like to vote against the government. Many of them at the bottom of their hearts would like to vote against the government to-night, but they are afraid that if they did so the government would be defeated and they would not get back here again. The result is that they are following their leader everywhere. They are following the miracle man, the superman, the man who has been overcoming difficulties all his life and who thrives on difficulties; and here we have him attempting to enact in this parliament a piece of legislation the like of which has never been heard of.

There is more I could say about the Prime Minister. My hon. friend from South Essex (Mr. Gott) said that I had criticized the hon. gentleman in London, Ontario. Perhaps I did criticize the Prime Minister, and I will criticize him whenever I have reason to do so. Who is he that he should not be criticized? My hon. friends are afraid of him; every member of the cabinet is afraid of him. The Minister of Labour (Mr. Gordon) is a very large man but his courage fails him when he comes up against the Prime Minister; his courage oozes right out. And that holds true of all members of the cabinet. This debate

has been going on for fourteen days now and not a cabinet minister gets up. If my hon. friend from South Essex had had on his head the cap which one of the Ottawa papers said he should wear, that might have made the debate complete. That hon. gentleman has been put up to defend the government, but not a cabinet minister gets up to perform that duty. What is this government coming to? What is the country coming to? Is the Minister of Labour tongue-tied? Is the Minister of Trade and Commerce tongue-tied? I see the Minister of the Interior (Mr. Murphy) is in; is he tongue-tied? Are they all tongue-tied? The superman, the boss, has said, "No one shall speak to-night," and they are not speaking—that is, except the hon. gentleman from South Essex who got up to make a wonderful speech. And this, mind you, is the government that has a normal majority of thirty-one or thirty-two in this house. I want to say to you, Mr. Speaker, and to the members of this house that the country is watching this debate.

Some hon. MEMBERS: Hear, hear.

An hon. MEMBER: They are watching you.

Mr. SANDERSON: My hon. friend from Toronto East Centre (Mr. Matthews) speaks out; he says they are watching me. Well, we are watching him until he steps up as lieutenant-governor of Ontario. My hon. friend from Toronto East Centre will defend the government and vote with them because he has the prospect of a nice position as lieutenant-governor of the great province of Ontario. He will be very docile at all times. Is there any other hon. gentleman who would like to say anything over there? If I had unlimited time I would take on the whole crowd to-night, but I have not the time.

Let me say, in closing, what has been said many times from this side in regard to this matter. This supergovernment could bring in a supply bill to-night for $50,000,000 or $100,000,000 or any amount they might want and we would pass it in half an hour. What are they afraid of? The Prime Minister likes to speak of peace, order and good government; he likes to refer to the mother of parliaments and the British constitution and to talk about peace, order and good government. We have peace in this country, Mr. Speaker, and we have order in this country; but I cannot say that we have good government in this country. No one can say that; no one will say it unless it be the members of the government themselves.

Mr. DURANLEAU: What about Athabaska?

Mr. SANDERSON: I want to say in all seriousness that just such legislation as this government are trying to force upon the opposition, to secure unlimited powers without consulting parliament, without even asking parliament whether it is right or wrong, the very fact that they are attempting to-night to put through legislation will upset peace and order in the country quicker than anything else. And these tactics will upset, not this good government but this bad government.

An hon. MEMBER: Why worry?

Mr. SANDERSON: Did one of the ministers speak to me?

Mr. MURPHY: The hon. gentleman is looking in my direction. I was too much pleased with his diatribe to interrupt him.

Mr. SANDERSON: It would have been a delight to hear the minister, because you cannot hear a peep out of the ministers; they are all dumb except the Minister of Labour. That hon. gentleman did attempt something to-night but he did not get very far. Perhaps instructions have not come in from the office behind the corridor. When instructions from headquarters do come in, then perhaps before to-morrow morning some of the ministers will have the courage to get up and say something, and then we shall hear the banging of desks over there and all will be well. I do not know whether my time is up.

Some hon. MEMBERS: Go on.

Mr. SANDERSON: Very well, I shall be glad to go on.

Mr. SPEAKER: The hon. member has spoken twenty minutes.

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker and friends of the despotic government of Canada opposite, I hold in my hand—

An hon. MEMBER: Which hand?

Mr. McINTOSH: Have a laugh—"the loud laugh that speaks the vacant mind." This line is from Goldsmith. Perhaps, if you would be good enough to hold your peace for a few minutes, we might get on with this debate. I was saying that I hold in my hand a copy of The New Despotism, and as I look across the floor of the house and see men who are supposed to be the representatives of the Canadian people, but who stand for a policy of constitutional despotism and are followers of a despotic Prime Minister,

and when I look at the resolution before the house and note the phraseology in which that despotic resolution is clothed, I wonder just what hon. gentlemen opposite think of themselves. They are trying to tell the people of Canada that there is an exceptional emergency in this country. They are trying to tell the people of Canada that we must have this type of legislation because a national disaster is facing them. That is all nonsense; no national disaster is facing Canada except the disaster of bad government brought into existence by hon. gentlemen opposite during the last two years.

One begins to wonder just why we have more than a hundred members of parliament from all parts of Canada sitting still and saying practically nothing when such an important question in regard to unemployment and farm relief is before us. Although for the last three weeks in the house we have had a debate on this problem, only infrequently has a minister or a private member opposite had the courage to tell the riding he represents and the people of Canada just where he stands on this proposition. If we read the resolution, we find in the first line the significant word "expedient." It states: Resolved that it is expedient to introduce a bill to amend a certain chapter and to strike out a certain word and substitute another word therefor. When we come to consider just what the government is trying to do, the word "expedient" has certainly an important significance. What is it? One explanation of the word is that it is "a shift made to make the best of things," and I believe the government is to-night trying to put forward a type of legislation that will enable it to get out of a bad hole. But when this fight is carried to the electors, as it will be two or three years from now, I am badly mistaken if the government will not be sorry for ever attempting, as they have done, to rush through the house such a piece of arrogant legislation.

Again, the term "expedient" is "a device or contrivance to serve in lieu of something better." It is "something characterized by mere utility rather than principle," and, indeed, there is not much principle to the government's move. Further, it is "an objective conducive to special advantage rather than what is universally admitted to be right." That makes me wonder why the Prime Minister, his cabinet and all the members sitting behind them will attempt to defend a policy that seeks to attain an objective that is not in the best interests of this country at the present time in the way of unemployment and farm relief.

As a member from western Canada I am ready to vote now, before this question is put, any sum of money that is necessary for relief and unemployment in Canada. I am, however, very anxious to make it plain that as a member from a riding in western Canada I shall not stand for a type of government that will want me, as a representative of a free riding, to delegate legislative authority from this chamber to a cabinet that will by order in council override the commons and practically annihilate what is left of responsible government in this country. I am not ready to do that, and for that reason I am opposing this legislation. I am ready to take a stand on it and to carry this fight into my riding for the next two or three years. If other hon. members will do the same, then, when the government goes to the country, no matter what other questions there may be, this will not be a forgotten issue. I think it is now generally conceded among Conservatives themselves that if the house were dissolved to-night and the people were left to pronounce the verdict, the government opposite would be defeated by at least fifty of a majority.

Mr. DURANLEAU: What about Athabaska?

Mr. McINTOSH: I will answer that.

Mr. HACKETT: The people have already done so.

Mr. DURANLEAU: What is your answer?

Mr. McINTOSH: In Athabaska the Tory candidate received about one out of every three votes; in other words he was defeated over three to one.

Mr. DURANLEAU: What about the Liberal candidate?

Mr. McINTOSH: If the government went to the country to-night, they would be beaten three to one in the house.

Mr. MULLINS: We would have a larger majority than ever.

Mr. McINTOSH: In your imagination only. Under this legislation the government can scrap the constitution; they can take the written constitution of this dominion and annihilate it gradually. Yet we have hon. gentlemen opposite standing for action of that kind and afraid of defending the constitution in the house. We have in section 91 of the British North America Act the exact terms that the Prime Minister uses in this resolution:

For the peace, order and good government of Canada.

Why talk about peace when there is no peace? Why talk about order when I believe one of the real reasons for the introduction of this resolution is that the Prime Minister is afraid of a national uprising in Canada? He is afraid the labour people and the communists are going to give trouble. Consequently, he wants to have at hand the power of a despot to crush any movement that may arise. The very fact that the Prime Minister believes this proves that he is not in touch with public opinion. There is no fear of any such thing in this country; there is no possible danger in that direction. Therefore one is lost in trying to find out just what the ideas of hon. gentlemen are in introducing vicious legislation of this kind.

This sort of legislation is foreign to any parliament in any British dominion. It is foreign to any legislation enacted by the home government. We are told that free institutions are the lifeblood of the empire. Yet we have hon. gentlemen opposite, who on the hustings are always saying how they stand for the dear old empire and for the old Union Jack, giving us the spectacle of supporting in the House of Commons legislation that is not in any sense of the word symbolical of free institutions. Free institutions are the lifeblood of the empire; free cooperation is the instrument of the empire and peace, order and progress, the objectives of the empire. Yet how are we going to attain those objectives of the empire when we resort to legislative tactics of this kind in our national parliament?

If I read my history aright, the whole battle in Canada for hundreds of years was to win responsible government. We had throughout the French period governor after governor, intendant after intendant, bishop after bishop, council after council, doing what? Representing French imperialism, and through their action and interaction with one another throughout that period, very little was accomplished. But they did this much: they laid the foundation in that probationary period, of responsible government in the dominion, and we are building on that historic foundation to-day. Later, in Upper Canada the fight was against a legislative council that was not responsible to the people; in Lower Canada the fight was the same. In New Brunswick, in Nova Scotia and in Prince Edward Island the same battle had to be fought to win for us the boon of responsible government. Yet to-night, Mr. Speaker, we have a motion before the house by which the government is practically trying to drive its thoughtless legislation through by what we might call gag rule. When we think of the splendid contributions that have been made by the different parts of this dominion in days gone by in the cause of responsible rule, I am sure that we ought all to be concerned, irrespective of party, for the future of constitutional government in this country.

One of the speakers this afternoon intimated that so far as this particular legislation is concerned there might not be very much danger in it, that we could judge the future by the past. But that is just what we cannot do. We may judge it in a particular way, but I say, Mr. Speaker, that we cannot estimate the future by the past, and I would like to put on record a statement made by one of the assemblies, years ago, in the eastern provinces in respect to that very question. It said:

> The assembly admitted that no evil has thus far resulted from the opposition of the council—

That is the legislative council:

> —but pointed out that the future could not be anticipated and that there was no deficiency of independent men who had every qualification for seats in the legislative council.

That means, Mr. Speaker, that we cannot constitutionally anticipate the future, and it is utterly impossible for any man who wants to stand by the constitution in this country conscientiously to vote for a piece of legislation of this kind, because if one wants to play fair with the people he cannot give to any government or any cabinet or any prime minister, no matter what its particular political stripe may be, the powers that are being sought under this iniquitous piece of legislation.

I might go from one province to another throughout this whole country to prove conclusively that in the working out of responsible government in this country the policy that is being backed by hon. gentlemen opposite is a futile one and will prove to be a failure. What does Lord Hewart say on this question in his book, The New Despotism, which I hold in my hand? He says that the time has arrived in all the overseas dominions when a tendency has become manifest to hand over to the executive the powers of parliament, and he says that there are three or four excuses given for doing so. One is that it is said that parliament simply has not time to do otherwise than delegate its legislative power; another is that parliament has not the requisite aptitude for the work; another is that the task of government ought to be left to the executive. These three excuses do not amount to anything. They do not constitute a sound reason why we should depart from the principle of responsible government in this dominion. Lord Hewart says as to the third of these propositions, the delegating of legislative power to the cabinet:

As for the third of the propositions, if it contemplates anything over and above what in a particular emergency may be rendered necessary by "sudden causes and occasions" or "promptitude to meet the exigency of the case," it is not easy to imagine anything more mischievous or more subversive.

There is the point exactly, that the minute we hand over the legislative power of parliament to any cabinet or any executive, at that moment we endanger the constitution of this country, and therefore to-night, Mr. Speaker, I am utterly and absolutely opposed to this legislation. I am opposed to the motion before the house. I am opposed to the resolution because I believe that the government, although satisfied that it is in the wrong, is trying to drive this thing through by the sheer force of its majority, and that if it had the courage of its convictions it would even at this late moment back up on its tracks and bring down a regular supply bill which parliament could put through in half an hour or so, thereby bringing to bear upon the problem of unemployment and farm relief in this country the necessary responsible parliamentary authority.

In closing, may I say that so far as western Canada is concerned I do not believe that the action of the government will be in any way popular. I believe that the rank and file of the people are opposed to the policy of the government as enunciated in this resolution, and therefore I am only too pleased to have had an opportunity to say what I have said in the house to-night in opposition to it.

Mr. EUSEBE ROBERGE (Megantic) (Translation): Mr. Speaker, the right hon. prime minister, by the resolution which he has submitted to this house, wishes to revive that pernicious legislation, that was devised for the first time in Canada by the conservative party in order to prevent the greatest Canadian that ever sat in this house from upholding the rights of the minority—I refer to the right hon. Sir Wilfrid Laurier. The right hon. prime minister and his colleagues ought to remember, before again resorting to this measure, that when it was applied to Sir Wilfrid Laurier, there was much resentment throughout the country. What was the result? At the election of 1921, the people showed their dissatisfaction by defeating this government. It is the same measure that the right hon. prime minister proposes now to apply to the opposition, to prevent us from upholding the rights we have secured through the confederation pact.

Mr. Speaker, the right hon. prime minister told us last week that he had been placed at the head of the government by the people and that he still had their support. There are both some truth and untruth in that statement. It is true that he was placed at the head of the government by the people, but how did it happen? If the people gave a confidence vote to the conservative party in the last election, it was on account of the promises made by that party, through its present prime minister; those promises having been repeated by its candidates and the various speakers who supported them. They promised to put an end to unemployment, to secure work for everyone, to open new markets where manufactured and farm products could be sold at a higher price. Thus the manufacturers would have paid higher wages, and at the same time the farmers would have enjoyed greater prosperity, but that has not yet materialized. In our rural districts, the speakers who supported the conservative party, went a little further; they said: "You are aware that Hon. R. B. Bennett is an acknowledged business man and an experienced financier; besides, his past proves it." Furthermore, in our mining centres, where there was some unemployment in 1930, they stated: "Hon. Mr. Bennett is enough of a business man to find money to reorganize your companies, so that all of you, workingmen, may work six days a week with better wages." What happened? Wages went down 40 or 50 per cent since.

It is on account of those promises that the people of this Dominion placed him at the head of the government, but these pledges were never fulfilled. How disappointed he must be to day, when he realizes that they have not materialized, that the condition of agriculture is worse, that unemployment is steadily increasing, in spite of the explicit promises made to the people of this country in 1930. If, in the past, the prime minister showed himself to be a business man—when he was working for himself—it must be a great disappointment for his friends to see that he fell short of his reputation so quickly after his appointment as prime minister. We often meet in our life and in different activities, men who never succeed when they are working on their own account, but who make a success of the business of others. In the case of the prime minister, it is the opposite. In his own business, everything is well; but when it comes to administering the country's affairs, his ability slackens very quickly. Judging by the result of the last twenty months, he showed himself to be the poorest financier the country has ever had as a prime minister since con-

federation. As soon as the opportunity presents itself, the people will show him what they think of him.

In the course of the same speech, the prime minister said that he still had the support of the people. Before making that assertion, I would advise him to appeal to the people who will tell him what they think about that "blank cheque" which he wants to secure now, in spite of the opposition. I am sure he would get the same answer as the president of United States got from his colleagues, when he tried to raise the tariff, last week.

The people of Canada want a man who keeps his promises, and will always be opposed to a government that does not fulfill its pledges. Under the liberal administration, the promises made by our leader were fulfilled. I shall go further, Mr. Speaker. An honest man does not promise any more than he can accomplish, and this applies with greater force to a prime minister, who occupies that high position because the people trusted him.

Under the Conservative government, in 1917, the people were deceived, and the same party is in power to-day. That party should remember that in the election of 1921, the people showed clearly that they had not forgotten how they had been led astray in 1917. The Conservative party should remember how they were thrown out of power on that occasion.

The people are tired of promises; they do not want any more. They demand a change of government.

The Prime Minister, under this resolution, seeks to amend our constitution and deprive this house of all the powers that were conferred upon it by the Confederation Act, and concentrate them into his own hands. He should remember that the experience of the last twenty months of his administration is the best proof of his incompetence. None of his pledges were fulfilled. Unemployment has increased and the crisis is getting worse.

Mr. DORION (Translation): It is a long reading!

Mr. ROBERGE (Translation): Mr. Speaker, I think the time has come for all hon. members in this house to get together, in order to uphold the rights that we have secured through the confederation pact, and to see that the laws of the country, the work of great men, be respected, instead of being altered to suit the whim of the Prime Minister. The people of this country know that our Prime Minister is fond of honours and titles. By applying again the gag rule, he will be considered as the champion gagger of Canada.

[Mr. Roberge.]

Mr. J. A. VERVILLE (Lotbiniere), (Translation): Mr. Speaker, we have been discussing for several days—

Mr. GOBEIL (Translation): Several weeks.

Mr. VERVILLE (Translation): —a resolution presented by the Right Hon. Prime Minister, and we have a right to wonder at this late hour—a newspaperman just gave me the time—what is the meaning of the measure that is before the house this afternoon. Some call it the gag rule. Apparently, it is true, according to the rule of procedure which we have to conform to. There is one sure fact: this rule of closure was inaugurated by a Conservative government, and the Prime Minister, following the tradition, said to himself, after having usurped the power: I would not like to break the tradition; my party inaugurated the gag rule, and if it were found wanting in my glory, that would be the end of me, so I will apply it too.

Mr. GOBEIL (Translation): Hurrah, hurrah!

Mr. VERVILLE (Translation): This afternoon we witnessed a typical scene. The Right Hon. Prime Minister said: "Three weeks ago, I submitted this resolution and I asked for exceptional powers, because it was a case of emergency." He submitted the resolution, that is quite true; but since three weeks, he has let things go. If it were so urgent three weeks ago why did he wait until to-day to apply the gag rule. Either that man is consistent, sincere, or he is not.

Mr. DORION (Translation): Quite so.

Mr. VERVILLE (Translation): If it was urgent, he should have applied the gag right away.

Some hon. MEMBERS (Translation): Hear, hear.

Mr. VERVILLE (Translation): He should have resorted to that rule and have the bill approved by his servile majority.

Some hon. MEMBERS (Translation): Hear, hear.

Mr. VERVILLE (Translation): If it was not urgent, why this farce which he has gone through to-day? The resolution was submitted on February 26; the Prime Minister lets the discussion drag on during three weeks, and then he says—

Mr. DORION (Translation): It was Lent, time, and you had to do penance.

Mr. VERVILLE (Translation): It will be Lent for you following on the next election.

Mr. DORION (Translation): It was Lent, one had to do penance for one's sins.

Mr. VERVILLE (Translation): Let it be understood, your Lent will begin after the next election.

The Prime Minister said to himself: I shall resort to a clever strategy, I shall apply the closure at the end of three weeks. How very rational, what a superior man! After having endeavoured to settle the question of unemployment, after three weeks of debate, he applies the closure, to prevent the representatives of the people from speaking on behalf of the ratepayers, to hinder us from championing the rights of the people against his autocratic methods, against his wishes and those of his followers.

Mr. DORION (Translation): Marvellous!

Mr. VERVILLE (Translation): We have but fulfilled our duty during these three weeks. We have registered our protest and told the government: We are here as representatives of the electorate, as representatives of the people, bring down a bill requesting us to vote millions and millions of dollars, we are ready to do so, but let us know at least, what you intend to do with those amounts.

That was our right and duty, and I do not think that the Canadian people will find fault with us for acting thus.

Mr. DORION (Translation): Athabaska has just given its answer.

Mr. CHEVRIER (Translation): Make a speech.

Mr. VERVILLE (Translation): This resolution calls for funds; as I stated a few days ago, the disposal of the people's money should always be under the control of parliament. No one on the government benches has ever given a worthy answer to this contention. My friend, the hon. member for Quebec-Montmorency (Mr. Dorion), whom I highly esteem, and with whom I am paired is here in the house by the people's will. I trust—

Mr. DORION (Translation): We were both Conservatives in our youth.

Mr. VERVILLE (Translation): —but perhaps through no fault of his; however, I wish to give him all the credit and merit which he deserves. I would ask him, however, not to act, in the future, as a guide to the government, to look after his own affairs, to make a speech in his turn and not interrupt others when speaking.

There are, sir, many members who are lavish with their wit.

Mr. DORION (Translation): That is why you are left with little.

Mr. VERVILLE (Translation): One can only dispose of what he possesses. If one is endowed with much the whole community benefits, if little, no one benefits. I do not wish to be personal, it is a dangerous game. I should like to see everybody mind his own business and attend to his own duties. If any one wishes to perform childish freaks, let him step out into the lobby. We have been witnessing, for the last few weeks, a scene that our friends opposite may perhaps call—

Mr. DORION (Translation): Ridiculous.

Mr. VERVILLE (Translation): —perhaps they will call it talking pictures; it is somewhat true. But they are beautiful ones; both in English and French, with the addition of real living actors representing all the dignified personages of the nation; however it looks as if the idea was not endorsed by a government who show disrespect for their opponents.

An hon. MEMBER (Translation): Hear, hear!

Mr. VERVILLE (Translation): We therefore have talking pictures; let it be so, but to make a contrast, allow me to recall the time when you were children and ask you whether it was a fact that twenty-five years ago, puppet-shows were then the fashion. If to-day, in keeping with progress they are replaced by moving pictures. If we are allowed to go back twenty-five years—

Mr. DORION (Translation): Permission is granted.

Mr. VERVILLE (Translation): —and recall the time of the puppet-shows, you will remember then—I am specially addressing myself to my good friends of Quebec who do not share my political views—that our countryside was visited by people who gave shows that we use to call the dance of the puppets. They were shown in a miniature theatre erected for the occasion—

Mr. DORION (Translation): You still can dance. You are playing your part well.

Mr. VERVILLE (Translation): —these puppets were moved by a spring. A hidden hand worked the eyes, the lips, the arms, the legs and the people wondered. We can, to-day, establish a fairly close comparison with what was happening at that time. What have we here? We have representatives of Quebec, members who do not share our political views, and we have a man behind the scene, who forces them to open their eyes, their mouths and move their arms—

Mr. DORION (Translation): A painting of the author by himself.

Mr. VERVILLE (Translation): —and who too often makes them say what he wishes because he is the real actor behind the scene: I command, do not move.

Mr. DORION (Translation): A painting of the author by himself.

Mr. VERVILLE (Translation): That is so, the author is the Prime Minister of this country, the puppets, yourselves.

An hon. MEMBER (Translation): Hear! hear!

Mr. VERVILLE (Translation): I was listening a short while ago to my good friend, the hon. member for Peace River (Mr. Kennedy), who dared to assert that the debate on the constitutional aspect of the question had been dragging too long. I think it should last many weeks more and even longer. We, the Liberal party, were criticized long enough for having a leader who was supposed to administer the country in the interest of the west, a number of hon. members on your right, sir, proclaimed it on the hustings throughout Quebec, when there was not an iota of truth. But, to-day, it is a fact, and yet, these hon. members dare to support those who are guilty of such an act and deny what they then said.

Mr. ALPHONSE FOURNIER (Hull) (Translation): May I, sir, at the outset of my remarks on this resolution quote, as an introduction, a few sentences of the right hon. Prime Minister (Mr. Bennett), taken from his speeches delivered on March 8 and 23 last, when he was discussing this proposed measure, and speaking on the motion of the hon. Minister of Agriculture (Mr. Weir). His comments will give us an insight into the state of mind under which the Prime Minister laboured when he endeavoured to impose on this parliament an act which is contrary to all parliamentary traditions of this country.

On March 8, he stated, when introducing this resolution:

> It confers a wide discretion upon the executive; I said so last year, and I repeat it now. I am not one of those who do not understand and appreciate the attitude of mind taken by the opposition with respect to this question, but I do say with some degree of pride and satisfaction that although that statute came into force in August and we have administered it ever since, you will have great difficulty and indeed I think you will find it impossible, sir, to point to any case in which there has been an abuse of authority under it or where there has not been an honest administration of its provisions.

[Mr. Verville.]

In his speech on the same motion, he repeats his argument giving it a different form, as follows:

> I would not ask this power from any parliament except reluctantly, and I so stated when I introduced the resolution the other day. But, sir, after discussions between my colleagues and myself, and taking into consideration the views expressed to us by others who look at the matter dispassionately and from the outside, dare we as a government, charged with the tremendous responsibility in this emergency of caring for this dominion to the best of our ability, be without that power? We have said, no. We do not believe that this power will be called into play; nay, more, we sincerely and fervently hope that it will not be. But, sir, what is a man without a weapon in the midst of armed force? What is a man who has no instrument for his protection in the midst of the strife of brigands?

The above quotations from the speeches of the Prime Minister indicates clearly that he is conversant with the constitution of our country, that he is familiar with the fundamental principles which must govern our parliamentary life and it is with repugnance, and reluctantly, that he submits to us this resolution.

I listened closely to the speeches delivered by the members of the government and to those who supported them, and it struck me that hon. members opposite seemed to not understand the attitude taken by Liberals on that question. I did not hear one single Conservative member state that it was reluctantly that he supported this violation of our constitution. The right hon. Prime Minister's supporters seemed to pay little attention to his speech, while he, himself, was fully aware to what extreme means he had recourse to impose his will. If we turn over the pages of our history, we shall note that, for over one hundred years, our forbears had to struggle to obtain what is known as self-government. Following the conquest; the military government of 1763, recognized no rights to the Canadian people nor granted any representation in the nation's council. The Quebec act of 1774 acknowledged some privileges to the people of Quebec, or to those who had remained in Canada after the conquest; such as their language, customs and religion. In 1791, the Constitutional Act separated the two provinces and allowed us to have a number of represenatives in the council of the nation, but no control over supply or the taxes levied on our people. In 1837, the rebellion took place, blood flowed in an endeavour to obtain the control of the treasury. Even in 1840, under the Union Act, this responsibility of governments was not

yet achieved; it was only in 1867, by the British North America Act, looked upon by us, from our childhood and youth, as the ideal condition for a people, that we obtained to be represented, to decide how the taxes were to be levied, how we were to limit them and how the disposal of the revenues would be made in the interest of the whole nation. If we study the constitutional history of our country, we will note that in the conventions negotiated between Lower and Upper Canada, Nova Scotia and New Brunswick, there seems to be an understanding by which consent of the parties is necessary to enact radical changes in our constitution.

Since 1867, we find but three instances, in the history of our confederation, where the government undertook the responsibility of requesting a fixed amount but without being able however to determine how the funds would be expended. In 1885, during the Riel rebellion, in the west, parliament granted to the government of that day a sum of $1,500,000, so as to crush this rebellion; the amount had been mentioned but without giving details or the information usually required when such amounts are asked.

The second instance in our parliamentary history, when parliament trusted the government by granting them a stipulated amount, but without giving details, goes back to Queen Victoria's Jubilee. The last instance, was in 1914, when the war, in which we took part, was declared. Under the Conservative régime of 1914, parliament granted the government on various occasions during the years of war, large amounts to meet the expenditure of our active participation in the conflict. However, on no occasion did a government think of requesting the house to despoil itself of the rights conferred upon it by the British North America Act. Pursuant to these rights conferred upon us by the Confederation Act, the people's representatives alone, by an unwritten law, have full power over the disposal of the public funds and their duty is to supervise the expenditure of these funds.

Now, we have a Conservative Prime Minister, whose mentality, character and autocratic methods are known, he assumes himself full responsibility and decides that the Conservative party is willing to undertake such a task which may lead to abuses—which the Prime Minister himself admits—and endeavours to deny the supremacy conferred on parliament by the will of the people, in order that he can transfer it to the executive, which is but a committee of this house.

If you peruse the British North America Act, you will find the powers of the executive defined in sections 9 and 16. If you examine section 17, you will note that the legislative powers reside in parliament which comprises the House of Commons, the Senate and an executive to whom is confided the administration of the laws adopted by the two chambers just mentioned. These powers were never ceded to the government, an extraordinary crisis must exist to force this government to resort to these unheard of methods, even during the period of war, such extreme measures, as to reverse the roles in parliament, were never thought of.

Parliament has the right to legislate on the various matters enumerated in section 91 of the British North America Act. This section confers on parliament the exclusive authority to legislate so as to maintain order, peace and good government in this country. Further on the act enumerates the various matters over which we have the power to legislate. This resolution requests us to admit that the Canadian parliament is incapable of legislating in order to relieve the present crisis; but, in this parliament, there exists a group of men who have all the necessary qualifications, energy and will to govern the country, as a small committee, without making any report to parliament. These are the men who are supposed to relieve the situation.

The first remedy to which they resorted, at the special session of 1930 consisted in the definite amount of $20,000,000. This sum sufficed to meet the emergency during 1930. By voting this $20,000,000, parliament or the house was not asked to renounce its powers. It was in 1931 that a blank signature was requested. It was on July 31, if my memory serves me right, that this bill was discussed in the house, and parliament prorogued on August 3. In the dying days of the session the enactment of this measure was requested, notwithstanding the statement of the leader of the opposition that, if circumstances warranted it, he was ready to sit until the government introduced a bill which would be acceptable to all, because it was quite clear that the bill introduced was in violation of the principle of self-government, by virtue of which the house has control over the expenditure made by the government.

By this measure which they wish to thrust upon us, it is contended that means will be found to meet the situation, end unemployment and relieve the people. With this aim in view they state, we have devised the following scheme: we have a group of fifteen or sixteen men who, we think, are much better

endowed than you are and we therefore request that they should be given your authority to legislate.

I often wonder what the electorate think of the government's followers when they witness their attitude on this question. At the next election, I know that, in Quebec, this question will not be a dead issue and the people of that province will prove to the entire country that, at least, they still are attached to the constitution and they will certainly support the representatives who champion their rights. The ridicule which the government attempts to saddle on the opposition, because they champion those liberties which were conquered at the price of our blood, the people of Quebec, the whole Dominion will remember. The Canadian people themselves, will discover that the measure, which the Prime Minister wishes to impose on us, leads to many abuses.

One argument put forth in favour of this act is as follows: We cannot state the amount because we are not aware of the disbursements we will have to make. It is not what the hon. member for Regina (Mr. Turnbull) stated some time ago in the city he represents:

> The present government will within a few months, have to borrow six or seven hundred million dollars.

He is then aware of the amount necessary to meet the expenditure of his government. How does it happen that an ordinary member can state that next year Saskatchewan will need $26,000,000, that the rebate of five cents per bushel of wheat will amount to $10,000,000 and that the loan to that province will amount to $6,000,000?

If this hon. member is so well acquainted with the requirements of the provinces so as to relieve the present crisis, why should not the government specify an amount, as the leader of the opposition and his followers stated. They could request $600,000,000, and I think the opposition would agree to that amount, believing sincerely that the government would limit useless expenditure. We could then have some control over the funds disposed of. If $50,000,000 had been voted in 1931, it would have met the situation then existing, since the reports laid on the table of the house show that only $34,000,000 or $36,000,000 were expended. They might, today, if the requirements are greater to relieve the situation, state a definite amount, thus the authority of this parliament and the prerogatives of the house would remain intact. The industrial conditions in our country instead of improving after all the means taken, is worse than in 1930, and we are also aware that there are more unemployed in Canada, per capita, than in any other country.

I would have been recreant to my duty had I not protested against this legislation which will certainly have disastrous results, since the Prime Minister himself admits that it may pave the way to abuses.

Mr. T. F. AHEARN (Ottawa): Mr. Speaker I propose to make only a few brief remarks with respect to the measure now before the house. I have always understood that precedents play a most important part in the parliaments within the British empire. Such great importance is attached to precedents that the establishment of any new and important precedent which may have grave and far-reaching effects is a very serious responsibility for any government to undertake. The measure now before the house does constitute a grave and far-reaching precedent. It permits the cabinet to change or amend existing laws and takes away from the House of Commons control over public moneys; indeed it vests almost unlimited authority in the cabinet. This, of course, creates a constitutional issue, and from my observation it is being so considered by the man of the street.

This grave departure from the established order of things has resolved itself into a question as to whether this parliament shall support the old-established order of parliamentary procedure or depart from it as a matter of so-called expediency. The government of the day has made its choice and by invoking closure has plainly indicated that it proposes to stick by that choice. The Liberal party opposes this step by all the means in its power, and I am convinced that when the people become fully aware of all the implications of the step the government is now taking, and of the hollowness of the excuses it offers for so doing, they will make their opinion felt in no uncertain manner.

The other day the right hon. Prime Minister (Mr. Bennett) spoke of the vote of confidence that he and his party had received in the recent by-election in Athabaska. That so-called vote of confidence amounts to less than one third of the total vote cast in the election. If the hon. gentlemen who sit to your right, Mr. Speaker, are content to call that a vote of confidence, we on this side of the house are content that they should do so.

More than once I have heard this debate referred to as a waste of time. That is not correct. This debate has done a great service, if only to establish that the measures the gov-

ernment has taken in conjunction with the provincial governments and the municipalities have not been adequate or successful, even to a small degree, in coping with the depression. Nearly $150,000,000 has been spent and thereby employment amounting to less than one month in a year to each person has been afforded. One member sitting on the government benches said that this expenditure had enabled many people "to keep body and soul together." In my opinion the one thing more than all others that has enabled hundreds of thousands of our unemployed to weather the storm as well as they have is the wonderful kindness that Canadian families, still in receipt of an income, have shown to relieve relatives and friends in distress. This should cause a feeling of pride in every Canadian heart. Organized charity is also playing its part nobly, and the time and money that have been given to this great cause will not be soon forgotten by those who have benefited.

I am one of those who believe the government has been actuated by good motives, but the results of the tremendous expenditures of public moneys have been most disappointing, and I think the people are convinced that the policy of the government with regard to unemployment has failed in its object.

I once hoped that state unemployment insurance never would be necessary in Canada, but the efforts of the government in the past two years, during which I have seen so many good citizens suffer the miseries and hardships of unemployment, have about convinced me that the time has come for the government of Canada to explore seriously and sincerely the advisability of bringing down a measure to provide contributory state unemployment insurance suitable to the needs of Canada's army of unemployed men and women, and to the conditions that obtain in Canada, not only now, but during years of prosperity as well. That is a personal opinion, but it is one which I feel must be expressed. It is obvious that such a measure, if it were introduced, would have to be very carefully framed in order to guard against the abuses that are stated to be apparent in the unemployment act of Great Britain. The Dominion government, the provincial governments, and all employers and employees throughout Canada would have to bear their just and equitable share of the cost of such unemployment insurance, but I think all classes in Canada are ready to do so in order that certain and orderly relief may come to those who suffer the tragedy of unemployment.

As I said before, I had hoped that such an enactment might not become necessary in Canada. It would be costly and it has certain obvious drawbacks, but it would be infinitely better than present conditions. The people of Canada want the money voted for unemployment relief to go into the pockets of those who, through no fault of their own, are unemployed, and not to contractors and so on; and through the unemployed they want this money to go to the small merchants, who need it most in these days. The present policy of the government has shown very clearly that the creation of special jobs is very unsatisfactory and very expensive; this method has been given an extensive trial and has failed to meet the situation. Obviously the government must try another policy if it is to satisfy the people of this country. The Prime Minister has said that Canada will never have the dole, but I take that to mean that the dole will be given as a last resort. We are rapidly approaching that situation, and we cannot afford to further disregard the failure of another "noble experiment."

Mr. HARRY BUTCHER (Last Mountain): Mr. Speaker, with respect to the proposed legislation now before the house, which when amended is intended to revive chapter 58 of the statutes of 1931, I have but little to say except to remark that the substitution of a fixed sum for the words "such moneys as the governor in council in his discretion may deem to be necessary," in section 2, and the elimination of the words "and maintain within the competence of parliament, peace, order and good government throughout Canada," in sections 3 and 4, would have made this measure entirely acceptable to the opposition.

I want to speak at greater length with regard to the closure which is to be applied at this time. I was startled when the Prime Minister (Mr. Bennett) moved closure; I wondered just why that should be done. I thought I might find in the speech of the Prime Minister some substantial reason for this action having been taken, but diligent study of his speech has not rewarded me. I should like to direct attention to a few of the statements made by the right hon. gentleman, and a few of the quotations given by him, which statements and quotations no doubt were intended to give his reasons for applying closure at this time.

The Prime Minister quoted Redlich, and a little later I intend to refer to some of the details of that quotation. In general, however, we were reminded that in the latter part of the nineteenth century there was real, substantial obstruction in the British parliament.

The dangerous nature of that obstruction was pointed out, threatening as it did British parliamentary institutions and established practices. Finally, attention was directed to the steps that were taken to control the situation. Then the Prime Minister inferred that a parallel situation existed in Canada at the present time, and apparently he attempted to justify the guillotine thereby. With the permission of the house I should like to direct attention to the first quotation given by the right hon. gentleman, which is found at page 1404 of Hansard for March 23. This is part of a speech made by the Prime Minister of England, and reported in the proceedings of the special committee on Procedure on Public Business:

> Really, what is the House of Commons itself? It consists not only of a government, but of an opposition, and they have both got functions and rights. The great right of the opposition is the full discussion of measures proposed by the government. It is there, I think, that our fundamental weakness lies. There is a doctrine that it is the function of the opposition to oppose. I have always regarded that as a crime against the state.

I should like to direct particular attention to these words:

> . . . they have both got functions and rights. The great right of the opposition is the full discussion of measures proposed by the government.

That is exactly the stand taken by the opposition here; we claim that we should have the right to discuss the amount to be expended under the proposed legislation, and that we should be able to discuss and criticize the manner in which it is to be expended, whether in public works at the federal expense, in grants in aid to the provinces to assist them in the carrying on of public works, or in direct relief. Then we should like to discuss whether or not the government should have other powers than merely those of providing relief to the needy, seed grain and feed to the farmers and employment on public works, whether alone or in conjunction with the provinces. We claim that it is not full discussion if we are not to have any voice in the fixing of the amount to be appropriated or in the manner in which that appropriation is to be expended.

The Prime Minister referred to the mother of parliaments, and quoted chapter 48 of the statutes of 1930-31, passed by the British parliament. He pointed out that very large powers were conferred by that statute upon the privy council of England, but close examination of this chapter shows that the only power conferred is the power to make orders affecting certain economies. The closer we study that chapter the more that view will be confirmed. We should note also that these powers were conferred upon a council that formed the executive of a national and not a party government; that the powers were conferred for one month only, and that the subjects to which they might be applied were only five in number, education, national health insurance, police, unemployment insurance and roads.

The Prime Minister directed attention to one particular clause which gave power to increase or vary the contributions made to the unemployment fund. I am referring now to page 1410 of Hansard. The words of the act are, "For increasing the contributions to be made to the unemployment fund." So, search as you may, you will not find the slightest power to spend money; it only has to do with effecting economies. Within the four corners of that statute will be found no blank cheque and no blanket authority. I wish to refer now to a certain quotation of the Prime Minister's from Redlich's Procedure of the House of Commons. I shall read only a brief extract from it:

> Irreconcilable parties, which oppose an existing union of states or stand for a subordination of state to church, parties which reject the whole framework of society, or which draw their life from a principle only less deep and powerful than that of religion, the principle of nationality, are all in mortal conflict—latent if not apparent, possibly unconscious for long periods—with the conventions of parliament; they are, therefore, knowingly or unknowingly attacking parliamentary government itself, at all events in the form known to the constitution. Obstruction is, in reality, nothing less than a repudiation of the existing constitution of the country, intensified to the point of denying the right of its parliament to exist, and expressed in a conscious misuse of the forms and principles of procedure essential to the efficiency of parliamentary action.

Before making this quotation the Prime Minister used these words:

> Reading from the third volume of that work, page 196, I shall now give a description of what has transpired in this house during the last ten days.

In other words, the Prime Minister attributes to the opposition those very things that I have read in your hearing. The paragraph preceding the one from which the Prime Minister quoted begins with these words:

> Such is the political atmosphere in which the latest procedure reforms have been produced.

I think it is wise that we should find out what that particular atmosphere was. Many of us who have read the history of the British parliament during that trying period from 1867 to 1902 know that the political

atmosphere was most disturbed all the time. To begin with, there was the burning question of home rule for Ireland; there was the South African policy of the imperialists; there was the imperialist tariff policy, and there was the education question. Probably during the last century no other question had disturbed the minds of the British people to the extent that these particular questions did. Take for instance the question of home rule for Ireland. I need not remind hon. gentlemen that for about thirty years this was one of the most vital questions discussed in the British House of Commons. Two years after his election Mr. Parnell became the storm centre of that house. He tried first of all by so-called constitutional means to induce the house to listen to him, but when he found that he was getting nowhere, what did he do? He and his party set out to upset the proceedings of the house. Parnell was called the originator of systematic obstruction, and he certainly was. On one occasion he said, "I feel a special satisfaction in preventing and thwarting the intentions of the government." What happened during those hectic times? On July 31, 1877, O'Donnell, with four others, moved thirteen motions for adjournment. On that occasion the sitting lasted twenty hours and fifteen minutes, and the highest number of the minority at any time during those motions for adjournment was seven. On another occasion the sitting lasted twenty-two hours, the result being 251 votes for the government and 33 for the opposition. But there came a time when the sitting lasted forty-one and one-half hours. On one occasion 132 amendments were moved.

Mr. MALONEY: Mr. Speaker, what has this to do with the question before the house?

Mr. POULIOT: The difference is that one knows his business and the others seem to be all mixed up.

Mr. BUTCHER: As I say, on one occasion in the British house 132 amendments were moved to one clause, and now this closure rule has been invoked here in this parliament to prevent one amendment being moved. The Prime Minister quoted Redlich and I wish to quote from that authority too. Redlich says:

> Moreover, the feeling of the universal benefit conferred, as a rule, by strenuous and powerful opposition is one which centuries of experience have worked into the very flesh and blood of the English nation. Over and over again it has been seen that the energetic resistance of a minority has roused the entire country to take part in political life, and has brought a whole subject up for discussion in all its aspects: hasty measures have been checked, and proposals for large alterations in the law have been made by way of compromise, and in the end have only been partially carried out. The feeling of the need for opposition and the experiences which support it have led to the characteristic tendency of English procedure which finds expression in the strong emphasis placed on the protection of the minority.

I have a much longer quotation but I will not read more. What has been the view of the Prime Minister heretofore, even in the year 1931? At page 4279 of Hansard of July 29 last, the Prime Minister said:

> I will say frankly to the house that in asking what euphemistically is spoken of as a "blank cheque" we are not unmindful that we are asking very considerable from the House of Commons.

At page 4448 he said:

> I am not without full realization of what is involved in the bill, but in order to meet my right hon. friend I will shorten the time to March 1 and make it clear that we have no desire to usurp powers as was suggested.

Again, at page 4449:

> I need hardly say to the committee that I do this reluctantly; I do it from a sense of duty. What the right hon. gentleman said last evening as to the advisability of grants of money being limited, is so elementary I shall not do more than say that its general application in itself involves the necessity at times of exceptions.

At page 4449, again, he said:

> Realizing that, understanding fully the soundness of the criticism that is urged against the principle in general and not endeavouring to minimize it, we are with great hesitancy seeking from the house these powers. . . . If I were less mindful of the soundness of the criticisms that are made by the right hon. gentleman opposite as to the interference with the general principle, I would not make the observations I do.

Note the slipping of the Prime Minister. In 1931 he said that this was repugnant to him; in 1932 he is impatient with those to whom it is still repugnant. In 1931 he was apologetic; in 1932 he says that to oppose is a crime against the state. But analyze the opposition. Has any member spoken who had no right to speak? Did any member exceed forty minutes I think not. We are not asking for minority rule; all we ask for is regularity of procedure. We say to the government: Give us the details of your proposition; let us discuss them and criticize them. We may induce you to amend them and compromise somewhat, bearing in mind that last year the proposed income tax amendments were withdrawn, probably because of

opposition from this side of the house. The duty on magazines was reduced, probably also because of opposition from this side. We say to the government: Bring all your business before the house and let us discuss it freely, and you may depend upon it that if you defeat us on the floor of the house we shall bear the defeat with resignation; we shall be content.

I noticed with a good deal of pleasure that the Prime Minister did send over a dove, if not with an olive branch, at least with a leaf from an olive branch, when he said:

> I see no harm in intimating that, instead of asking for the right to pass orders in councils with respect to peace, order and good government after the first of May, we shall specify the statute with respect to which we believe it may be essential in a time of crisis to enact reasonable regulations or orders in council.

When our esteemed friend from Quebec East (Mr. Lapointe) interjected:

> A slight improvement.

The Prime Minister said:

> It will be a very great improvement.

And I think we entirely agree with him.

Mr. M. F. HEPBURN (West Elgin): Mr. Speaker, in anything I shall say to-night I assure you that I am not prompted in any way by the speech made by the hon. member for South Essex (Mr. Gott), who said so many uncomplimentary things about myself. I realize that the hon. gentleman has to justify an otherwise barren existence. He made one of his usual contributions to-night and talked of onions, and as he was swept along on the flood tide of his own verbosity I thought as I watched his facial contortions and violent gesticulations that he must have got some onion juice in his eye, but in fairness to the onion I would not want to put the blame for his parliamentary conduct on that lowly vegetable. After he sat down he was obviously quite exhausted. I think there was not an unuttered thought in his mind, and that being the case, he is more deserving of sympathy than of censure. As far as his prediction about my own future is concerned, he has already been proved a false prophet because he said during the last federal campaign that both the hon. member for South Perth (Mr. Sanderson) and myself would be defeated in our ridings, but the election results did not bear out his prognostications on that occasion. I understand fully why he did not attempt to deal with the matter under discussion, because we are discussing an important principle and I know the argument is quite beyond the capacity of the hon. member for South Essex.

[Mr. Butcher.]

The principle involved in this measure, Mr. Speaker, does not in any way relate either to farm relief or unemployment. Toryism, as in the past, is trading and trafficking on the adversity of those who are out of work and those who are otherwise in need of relief. If the hon. gentlemen opposite are sincere and really want to do something in a monetary way for the unemployed and the farmers in distress, all they have to do is to ask this parliament for any sum that is required, and that amount of money will be forthcoming at once with the absolute cooperation of every Liberal member on this side of the house.

But there is an ulterior motive behind this legislation, and because of that our hon. friends opposite have to muddy up the water and becloud the issue. What the Prime Minister (Mr. Bennett) wants, this great Moses of the Tory party, God's gift to the Canadian people, as he would have us believe, is absolute power. Under this legislation he wants to be given the power to disregard any statute of Canada and to make any new law that he likes without appealing to parliament at all. That is in contravention of every established principle of British parliamentary government. Think of it, Mr. Speaker! Over in the east block the cabinet to-morrow, if we pass this legislation, can meet and absolutely disregard any of the statutes of Canada and make any new law which the cabinet may see fit to make. What function is left to parliament if we delegate these powers to the executive? I leave that question to any fair-minded Conservative member opposite.

Apparently, after all the promises which he made in the last campaign, the Prime Minister finds himself in difficulty. He cannot in a constitutional way fulfil any part of the obligations he incurred so readily during that campaign, so now he says: What I cannot do in a conventional way I want parliament to give me authority to do in an unconstitutional way. Speaking in this house a few nights ago I suggested that if we were going to delegate any such powers it would have to be to a man of proven worth. This government has been in office now for a considerable time. This is the third session of parliament, and up to date I cannot find that one constructive suggestion has emanated from the other side of the house, not one single constructive suggestion which is fundamentally sound, and I think hon. gentlemen opposite will agree with me in that respect, particularly when we look at conditions obtaining throughout Canada to-day after this government has had every opportunity to apply thoroughly the policies which they advocated during the

campaign as being in the best interests of the people of Canada.

What, for instance, is the condition of industry to-day? We know that there are 220,000 fewer men employed. We know further that our industries are only running to forty per cent of their capacity. That situation did not obtain a few years ago under the régime of the Liberal government. What is the position of our financial institutions? I think this is a fair test as to general conditions throughout Canada. We know that our financial institutions are in a bad way, so bad, in fact, that the Prime Minister had to invoke the powers that were vested in him under this legislation of last year in order to save our financial institutions, and by order in council he permitted the banks to file with the Department of Finance statements which were absolutely false, bolstered up, inflated statements. There must be something wrong when a condition like that obtains.

Further, by another order in council the Prime Minister allowed the insurance companies to make a retroactive valuation of the speculative stocks which they held, and not only stocks but government bonds as well. The fact that the Canadian dollar is below par and that our own government bonds are selling at a discount indicates that the policies of this government are certainly not working out in the way it was argued they would work out during the election campaign.

Take the situation as to unemployment. Hon. gentlemen opposite, those of them at all events who did not know anything about economics, probably were sincere when they told the people of this country that if elected to office they would end unemployment. They have had every opportunity to apply their policies since, and what has been the result? Instead of having 120,000 people out of work, to-day there are 550,000, and what relief is in sight? If a man loses his job to-day, picture his hopeless condition! What is he going to do about it? Is the government providing any means of employment? Has it one single constructive policy to put forward? Not one that is fundamentally sound, nothing but to give the man more of the hair of the dog that bit him.

Take the position of the farmer—and I know whereof I speak, because I have been in the rural sections in the last few days. I will tell you what is happening there. Because of the low commodity prices and the loss of markets brought about by the trade policies of this government, our farmers to-day are not in a position to hire help, and here is a strange anomaly as a result. These men who cannot be employed in a gainful occupation by the farmers are crowding into the cities and towns as unemployed, where they are simply aggravating the unemployment situation, and the farmers who cannot employ these men gainfully under present conditions are going to be taxed to keep them in idleness. Some hon. gentlemen opposite will say that industry is going to bear some of this extra taxation, but I say that many of our industries that are sheltered behind tariff walls are above the civil law, and if you add to their costs of production they will simply take it out of the farmer in the prices they pay for his raw products or take it out of the consumer in the prices which he will be called upon to pay. The condition is pitiful. There is no relief in sight for the farmers. There is just a dark lane ahead of them. Picture the lot of a married man working on a farm to-day. He is not getting over $25 a month, and on that he is trying to feed and clothe his family and send his children to school, and in the country districts many little children are trudging along the sloppy roads to school without rubbers and proper footwear. Yet hon. gentlemen opposite say that they are going to help them under this farm relief legislation. Nothing of the kind. All that you are doing is to see that the big interests will have greater privileges than they ever had before. Strip this thing of all its camouflage and you find that it is nothing but an attempt to give by order in council additional privileges to the big interests.

With regard to unemployment, I do not of course blame hon. gentlemen opposite entirely for world-wide unemployment conditions. We know that the introduction of labour saving machinery, the mechanization of agriculture and industry, has contributed very largely to unemployment by the displacing of labour. But I do blame this on Toryism, that instead of the masses of the people benefiting by the cheaper methods of production by getting a corresponding increase in purchasing power through the lower prices of the products produced, Toryism allows monopolistic industries sheltered behind tariff walls to increase the prices of the products they have to sell, but the masses of the people have no corresponding increase in purchasing power.

That is what is wrong to-day in Canada, namely, lack of purchasing power; it is the root of all our trouble. The masses are being thoroughly exploited. We know this condition cannot continue to exist. The other day it was said that there were 1,125,000 automobiles in Canada, and I venture to say that because

of the tariff protection given to the subsidiaries of United States companies in Canada, we Canadians have paid for those automobiles $750,000,000 more than we would have paid had we bought them on a free market. That is exploitation. That money was taken away from Canada, removed from our spheres of taxation and disbursed amongst the money barons of the United States. Talk about no truck or trade with the Yankees! The government is making Canada a catspaw for the United States financiers who have subsidiary companies in this country. Heaven knows Rockefeller does not need to add to his wealth, but he controls to a large extent the oil refineries of Canada. What happens in that respect? We are paying eight cents a gallon more than the United States price; that is about the present disparity between the two prices. It does not cost that much more to manufacture gasoline in Canada, and we know that is pure exploitation as a result of certain privileges having been given to these interests by our hon. friends opposite. The people of Ontario consume about 300,000,000 gallons of gasoline annually, and these oil interests, after being allowed to bring in their raw material free, take out of the pockets of the consumers of gasoline in Ontario, on the sale of 300,000,000 gallons per annum, something like $15,000,000 or $20,000,000 in excess profits. That means a loss of purchasing power to that extent, and it is aggravating the condition confronting us to-day in the ever-increasing concentration of wealth in the hands of fewer and fewer people.

Some people say that the country is hard up. That is a wild statement; we never before had so much money in Canada, but it is in fewer hands. I should like to deal with this matter, but I have not the time at my disposal. Before, however, we settle this world-wide condition of depression, a great deal more is going to be said about the concentration of wealth in the hands of fewer and fewer people. I heartily concur in the statement made a few days ago by the hon. member for North Waterloo (Mr. Euler) that we might yet reach the point when we would have to put into effect a capital levy, because the mass of the people cannot exist much longer under present conditions.

The hon. member for South Essex (Mr. Gott) asked: What has any Liberal government done to contribute to the prosperity of this country of ours? I think, if we look back into the political history of Canada, we shall find that the Liberal party has a policy that is applicable to the best interests of the country. There are two schools of thought; there are those who believe in a restrictive trade policy, and there are those who believe in an expansive trade policy. I am one of those who subscribe to the Liberal school of thought. I believe the policy that best serves the interests of Canada is one of trade expansion. We have had both policies in effect at different times over a period of years. The late lamented Sir John A. Macdonald put into effect the national policy which brought about restricted trade markets and increased the cost of production. We had an ever-increasing production and a greater need year by year for markets, but we were not provided markets, and so we had stagnation to such a degree that we almost had an economic revolt in Canada prior to 1896. Then when Sir Wilfrid Laurier came into office he reversed that policy; he opened up trade channels and lowered the cost of production. Under those conditions we had an era of prosperity between 1896 and 1911. Following that we had a Conservative government in office, and after it came into power not a single new trade treaty of any consequence was consummated. During that time we had stagnation and at the same time the protected interests were given a little more privilege—because that is all extreme tariff is, a privilege to exploit the masses. On the one hand we had restricted markets and on the other we had higher costs of production.

I shall pass over the war years, but in 1920 and 1921 we had still a thorough application of this policy, and conditions became so bad that we had almost a revolt. At that time the United Farmers of Ontario and other farmers' organizations sprang up. Following that we had a change of government, and what did my right hon. leader (Mr. Mackenzie King) do on that occasion? He changed the fiscal policy of Canada; he negotiated trade treaties; he lowered the cost of production and Canada prospered under the King administration between 1922 and 1930.

My hon. friends opposite are now in office. What have they done? They have abrogated our treaties; they think we can have trade running in only one direction, but that cannot be done. They have increased the cost of production, and that, particularly at this time when we have a world-wide overproduction, when the struggle for markets is becoming fiercer and when the countries that will suffer most are those with high cost of production. So I say to my hon. friends opposite: When you restrict trade, when you give interests certain privileges which allow them to exploit the masses, and when you increase the taxation which is finally passed

on to the basic producer, you are doing an irreparable injury to a progressive country like Canada.

I should like to refer to the Australian trade treaty and to put on Hansard the true story of what happened with respect to the dairy industry of this country. I should know whereof I speak, because I operate a dairy farm and I have operated a cheese factory. I could see the weight in the propaganda used by our hon. friends opposite during the time of importation of New Zealand butter. It was good propaganda, but it was not in the interests of the dairy farmer. We have now shut out New Zealand butter and we are accepting the lowest price in this decade, and probably in this generation, for our product. If that be the case, surely hon. gentlemen opposite will admit that their policy is wrong.

Mr. COTNAM: Will the hon. member explain how it happened that he voted to abrogate the New Zealand treaty?

Mr. HEPBURN: The abrogation of the treaty had no direct effect upon the trading in butter between the two countries; it was the application of the eight cent tariff, that prohibitive tariff, which brought about the disaster in the Canadian industry. I know my hon. friend opposite is sincere and honest. He represents a number of dairy farmers in his constituency. May I explain the situation to him? We had for export two products: butter and cheese. Our cheese graded 96 per cent number one, and our butter 70 per cent number one. Because of climatic and other conditions beyond our control, we cannot produce butter that will grade more than 70 per cent number one, and it is not a good product for the export market in which we have to compete with competitive butter of other countries. The product that we should have fostered for export was cheese, and our cheese, because of its high grade, was selling on the export market at a three cent premium. Hon. gentlemen opposite said: This New Zealand butter coming into Canada is ruining the market for our product and something must be done to maintain the price of our butter. One way to do that was to keep within the bounds of the consumptive capacity of Canada, and the alternative was to go on the export market. Was it good business to go on the export market with an inferior product, or to do so with cheese that graded 96 per cent number one and received a three-cent premium on that account? My hon. friends opposite put into effect a tariff of eight cents a pound which was prohibitive. The New Zealander, however, did not throw his butter into the sea; he made it into cheese which he sold in England in competition with ours. The effect was that the price of cheese dropped to twelve cents a pound and the low price was reflected in Canada. We had the anomaly in Canada of twelve cent cheese and thirty-seven cent butter; and that is not a fair ratio between the prices of the two commodities. We immediately turned to an increased butter production; we went beyond the saturation point and when we produced more butter than we could consume in Canada we had to sell that inferior product on the export market. The consequence was that the price collapsed entirely.

In the meantime the New Zealander continued the production of cheese, and he has captured part of our market in England. According to Doctor Ruddick, we have lost our continuity of market there; we have done an irreparable damage to our dairy industry, as a result of the propaganda which our hon. friends opposite put forth in order to get into office. The dairy industry is in a state of chaos. Some of them might have been sincere, but I am sure enough of them knew of the ill effects of the introduction of a policy such as that, that if they had wanted to stop the application of the eight cent tariff on New Zealand butter, they could have done so.

To follow that up, a few weeks ago the price of butter dropped to sixteen cents a pound because we had an exportable surplus. That was due to the fact that we were again on an export basis. Then we had a spell of cold weather when production slowed up and we went back on the domestic basis. As a consequence of that the price of butter jumped about seven cents a pound. That is the policy, namely, that of keeping within the consumptive capacity of the country, which we advocate as being in the best interests of the butter producers. In a few weeks we shall be going back on an export basis and the price of butter will again fall. Some hon. gentlemen opposite contend that we should have a surplus to export, but such a policy will damage the Canadian industry more than anything else. The damage, indeed, has been done now; we are going to continue floundering between a surplus and an underproduction of butter. At the same time we have lost in England the market we enjoyed for our Canadian cheese. In that market we had sold at a premium of three cents a pound; that alone brought into Canada a large amount of money which at the present time we do not receive. When we see loss in trade such as I have described we have proof that the policies defended by the government are not in the best interests of the

country, and we may safely conclude that to delegate complete authority to the executive is not in the best interests of Canada. If policies were sound and brought about any measure of relief we might be inclined to give some latitude to the government, but when we realize conditions obtaining in Canada, when we know we are living in a state of chaos, that our financial institutions are floundering, we realize that to delegate the rights of parliament to the Prime Minister of Canada would be highly dangerous.

Mr. T. M. CAYLEY (South Oxford): Mr. Speaker, I can assure hon. members I am very proud indeed to follow the brilliant young leader of the Liberal party in the province of Ontario. If I can read the countenances of hon. members opposite I think they have now come to the conclusion, as have hon. members on this side of the house, that in a few short months he will be the premier of the province of Ontario.

I think it is most lamentable that the government of Canada at any time, and especially at this time, should bring a constitutional question into the political arena. Of course we understand that eternal vigilance is the price of liberty, and we have to be on guard so that the precious heritage handed down to us by your forefathers should not be lost. That is why we are opposing—not obstructing—the measure now before us, displaying the same respect for the liberties of parliament as did our forefathers. I come from a county which a hundred years ago produced those people who endured hardship and suffering so that the constitution and the principles of the people might survive. It is therefore with a feeling of pride that I speak concerning the preservation of our rights under the Canadian constitution.

Chapter 58 of the statutes of Canada, 1931, has become famous. Owing to the fact that some people will want to know the cause of all this talk in Ottawa I shall quote briefly from the statute. In the preamble I find the following:

> Whereas by reason of the continuing world-wide economic depression there exists in many parts of Canada a serious state of unemployment and distress; and whereas the partial failure of the wheat crop of western Canada has intensified the adverse economic conditions theretofore prevailing; and whereas it is in the national interest that parliament should support and supplement the relief measures of the provinces and other bodies in such ways as the governor in council may deem expedient, and for that purpose should vest in the governor in council the powers necessary to ensure the speedy and unhampered prosecution of all relief measures and the maintenance of peace, order

and good government in Canada. Now therefore—

And so on. If we were to put the word "because" where the word "whereas" occurs, the contention of the government might be summed up as follows: "That because the people of Canada are in a serious state of distress, and because there has been a wheat failure in western Canada, and because this government wants despotic power, we want this measure passed." There we have the three whereases. "Whereas the people of Canada are in distress, and whereas the people of western Canada have had a crop failure, and whereas this government wants absolute power, we want a renewal of chapter 58 for another term."

Mr. VENIOT: And the government is in distress.

Mr. CAYLEY: Yes, that is right. Then, they want a blank cheque for an unlimited amount, and another blank order for unlimited power. Did anything ever beat that? Has any hon. member heard of anything in the last one hundred years of Canada's parliamentary history to equal the present requests of the government? They are saying to the people of Canada who are in distress, "We cannot give you relief until we satisfy this craving for power." It is said of one of the characters in the good book, "All power is given unto me in heaven and in earth." This government comes along and says, "Well, we will relieve you of all power on earth."

The Prime Minister has said the government did not abuse the absolute power given them in the session of 1931. Well, there is a difference of opinion in that direction. The facts are that they amended the Bank Act, they stopped the export of gold, they amended the Insurance Act, they increased the number of Canadian mounted police, and armed them. That is a pretty good start for the first year. Lord knows what they would do in the next six weeks if they were given an opportunity. I think there are many little problems they would like to straighten out if they were given absolute power.

The Prime Minister praises the Canadian people for their courage and olympic spirit. In the next breath he speaks as though he was afraid of them. I try to be liberal minded, but I am forced to the conclusion that the government is suffiering from nervousness. They are getting panicky; there is something wrong with them. They are working too long —much too long. Twenty hours a day is too long. If they would take a little time off to sleep or rest I think their actions would be

more sane. I turn to page 1175 of Hansard for the present session and I find the remarks of the hon. member for East Algoma (Mr. Nicholson):

Russian agents are in every hamlet in this country from the Atlantic to Pacific, and I am not so sure that she has not agents around these parliament buildings.

I think that statement bespeaks the fears held by hon. members opposite. They are lying awake at night; they neither sleep nor slumber, and when they go to bed I think they look under it. Why all this fear? Why all this armed force against these heroic spirits, these olympic men? Policemen come armed with revolvers, others are mounted and carrying batons; then there is the use of tear bombs. Why all this? Well, the Prime Minister told us they were mounted on horses so nobody could get hurt. I think he would have been more humane, more peaceful, and less dangerous if he had armed the police with boxing gloves.

I believe in his own mind the Prime Minister is persuaded he is wrong; his conscience tells him he is wrong. In his remarks of March 23 he said:

I would not ask this power from any parliament except reluctantly, and I so stated when I introduced the resolution the other day.

He does it "reluctantly;" he feels he is wrong; he knows he is wrong. He comes from that splendid United Empire Loyalist stock and should know better. Conscience and reason tell him he is wrong, but ambition urges him on. What other interpretation can one place on his actions? No speaker for the government has given any valid reason for the change. For months the right hon. gentleman was Prime Minister, President of the Council, Secretary of State for External Affairs, Minister of Finance, and a whole lot of other things—because the other ministers did not say very much. He had his eye on power. The Montreal Gazette of June 9, 1930, contains a report of his speech in which I notice this passage:

So will I when the government is mine—

Mr. CASGRAIN: And parliament too.

Mr. CAYLEY: Not this part of parliament.

So will I when the government is mine continue to blast a way through all our troubles and difficulties.

Mr. LAPOINTE: Hear, hear.

Mr. CAYLEY: "When the government is mine." And it is his. But this is the sad part of it; these words reecho and strike them like a boomerang:

They play with the lives of men and women. What for? Do they realize that they are playing with lives,—food for wives and children, hunger?

All those on this side of the house who have taken part in the debate have urged the government to avoid this constitutional issue, to treat the authority of parliament as a sacred thing, a great heritage, and to take immediate constitutional action to relieve our suffering people. Let us do it to-day. Let us have a supply bill, late as it is, without any conditions, without any price. What a spectacle in this parliament—the people suffering; the government holding out for unlimited power. We are not in Russia; we are in Canada where the majority of the people are educated and intelligent, and all the problems of the day can be adjusted without setting up a dictatorship. Did the Canadian people ever fail in a time of crisis? The Conservative party asked the people to trust them, they begged the people to trust them, they called upon the people to trust them. Now all is far from well, and the Conservative party no longer trust the people. The people are not now singing that old hymn "We are standing on the promises;" they have learned that those promises are worthless. The people have been taken for their ride—and now they are walking home.

The thinking people of this country are wondering why the Prime Minister seeks for himself these vast powers, and some good reasons come to their minds. They ask, "Why these great powers—powers only surpassed by the supreme ruler—Why do the government seek such powers? Are there great things at stake?" There come to the minds of the people the great problems before Canada and they ask: "Has this anything to do with the St. Lawrence project? Has this anything to do with the Imperial conference? Is the government trying to put something over with regard to the railways?" These are honest questions the people are asking. I urge on the government a little more frankness as to their policies, I ask them to clarify matters, and so ease the feelings of the people. The people are worthy of your trust. Canadians are jealous of the precious heritage of responsible government. Through the development of these institutions Canada has risen to the splendid position she occupies to-day. In a recent speech at Albert hall in London, England, the Prince of Wales said:

The enemies to-day are depression and apathy. Let us attack them with two of our old-fashioned characteristics—good sense and good humour.

Let the government in this crisis assist in preserving the morale of our people. I doubt very much if this procedure will do so. I have been back in my riding and I know how my people are feeling. They are questioning why at this time they should be so treated. Let the government keep the citizens of Canada hopeful, not jumpy, wavering, unstable and mistrusting. Let the government so act that they will create in the people a feeling of hope and confidence.

The Literary Digest of February 27, 1932, contains a despatch with respect to Sir Richard Squires, Prime Minister of Newfoundland. It seems he has been getting into trouble lately. He was roughly treated by a large party of unemployed who stormed the council chamber. The Literary Digest contains this quotation from the St. John's Watchman:

> The whole unfortunate affair was brought about by the callous indifference of the Prime Minister and his pigheaded refusal to meet the committee and talk over ways and means.

Now, I submit it is absolutely unnecessary that this offer of relief should be made to us on condition that we surrender all the rights and privileges parliament has gained down through the centuries. Let us have a relief measure without strings attached to it. We are quite willing and ready to grant relief. The government tell us that no harm will befall the country by reason of the acceptance of this measure. Can we any longer rely upon the promises of this government? The opposition has come in for a great deal of criticism from our friends opposite and we have been accused of trying to play the part of a dictator. But that is not so; we are simply defending the rights of a free parliament.

The Prime Minister cannot make a mistake in giving heed to the advice of the opposition at this time to follow constitutional methods. He certainly made no mistake in 1931 when he accepted our advice and withdrew the income tax schedules. That is to his eternal glory. I am surprised to learn that now he is ready to call a provincial conference—a plan which he rejected when my right hon. leader suggested it during the campaign of 1930. It will be recalled that on that occasion my leader suggested that the government call a conference of the provinces to study the whole matter of unemployment and relief. I say that now he is following this advice and accepting the provincial conference suggested by my honoured leader, and in this he makes no mistake. Later he will have a national committee, and again I say he will be on sound ground.

[Mr. Cayley.]

In conclusion, Mr. Speaker, I want to say that we are jealous of our rights as a free people and in this free country of ours we do not want "government of the people, by the people and for the people to perish from the earth."

Sir EUGENE FISET (Rimouski): Mr. Speaker, in rising to make a few remarks on this resolution I intend to approach the subject from a point of view that has been hardly touched in this house since the debate began. I may assure you, Mr. Speaker, and you may assure the Prime Minister (Mr. Bennett), that I do not intend to follow the example given by his staunch supporter, the hon. member for Dorchester (Mr. Gagnon) and carry you through every phase of the last Quebec provincial election.

I intend, sir, to deal with the administrative aspect of this question. In his last statement in this house the Prime Minister left me under the impression that the officers of the crown had expressed a doubt, first of all, as to the extent of the powers conferred by, and, secondly, as to the scope of, the orders in council passed under the authority of chapter 58 of the revised statutes of Canada, 1931. I confess, sir, that careful perusal and study of these orders in council, and especially those contained in the report tabled by the Minister of Labour (Mr. Gordon), has brought me to the conclusion that a real doubt exists as to their powers and scope. Let me give the house a concrete example. If you look at page three of the report you will find that certain credits were allotted six different departments of the crown, all ear-marked to be paid out of consolidated revenue. To all intents and purposes these credits became departmental appropriations and, in accordance with the ordinary rules applying to appropriations usually voted by parliament, the unexpended balance of these appropriations should have lapsed at the end of the fiscal year, which in this case was March 1. But, sir, after a further perusal of these orders in council, I note that certain commitments were extended much beyond March 1; as far as the commitments of the provincial governments were concerned, they were extended to May 1.

Therefore, sir, you have this to consider: You have two different opinions, and in view of the doubt that seems to exist even in the mind of the Prime Minister I took the trouble to try to ascertain from high administrative officers of the crown what interpretation they were giving these orders in council. I asked them if any accounts had been paid since the expiration of the act, which was March 1

last, and I was told that as yet they had not had occasion to pass on such accounts, but that they had grave doubts in that connection and might be compelled to ask for a ruling either from the treasury board or from the Department of Justice. In his speech the Prime Minister went even further; he stated that in view of these doubts that existed in the minds of high officials, instructions had been given to stop further payments in connection with these commitments.

I frankly confess, sir, that I cannot understand why the administration hesitate so much to bring down a supply bill. I heard my hon. friend the Minister of Trade and Commerce (Mr. Stevens) state to the house that, financially, the reenactment of chapter 58 was really the only way to cope with the situation. Well, sir, even at the risk of bringing down upon my head the wrath of the mighty, I am going to propose to this house a form of supply bill which, in my humble opinion, would meet not only the present situation but also any emergency that might arise.

In his admirable statement in introducing this resolution the Prime Minister gave enough information to enable the Minister of Finance to frame a quasi-specific supply bill, and it is with this information in mind that I propose the form of supply bill I am about to suggest. Let the Minister of Finance provide in a supply bill: first, for the unexpended balance of the commitments already authorized, either through federal grants or in conjunction with the provinces, and if you take the trouble to look at page six of the report of the Minister of Labour you will find that the commitments so far as the provinces are concerned amount to some $26,000,000; second, let the Minister of Finance provide for direct relief in accordance with what is already in hand; third, let the Minister of Finance provide for the necessary sums to pay for seed grain for western farmers that has been already purchased; fourth, let the Minister of Finance provide for further commitments in accordance with the requests already received from the provinces; fifth, let the Minister of Finance provide for further commitments in connection with federal works, the cost of which is to be borne entirely by the federal administration; sixth—and perhaps this is the crux of my suggestion—let the Minister of Finance provide for a contingency fund to be administered by order in council, so that the contingency vote may be equal to say one-third or even one-half the total supply bill. In order that every department of the federal administration may benefit by that vote, let all expenditures be administered by the governor in council.

This method was adopted in the great emergency of 1914, and it worked admirably. Here I want to correct an impression that seems to exist in the minds of some hon. members in this house, that the War Measures Act—on which the present measure was based—enabled the then administration to authorize by order in council the expenditure of public funds. Some hon. members went even further and stated that the War Measures Act authorized a special vote of $50,000,000. These impressions are all wrong, Mr. Speaker. We all seem to have forgotten that the expenditures for the war were authorized by a special act of parliament called the War Appropriation Act. We have forgotten that this War Appropriation Act provided a vote of $50,000,000 for expenditures in connection with the war, and expenditures authorized by governor general's warrants pending the summoning of parliament. We have forgotten that the War Appropriation Act created a special vote for war appropriations and that this vote was administered under a special proviso that every department of the crown that desired to use any of the moneys provided in the war appropriation should obtain first of all the authority of the governor in council. What I have suggested in the contingencies vote is based on the methods used during the war; and surely no one will pretend for a moment that the emergency that existed in 1914 was not, at least financially speaking, as serious as the situation we are facing to-day.

There is a second phase of this administration. Frankly, sir, I do not understand the reluctance of the government to bring down a supply bill. In my humble opinion they are simply militating against the very object they have in view. Do you realize that when the bill based upon this resolution is brought down it will have to be given retroactive effect? If not, the orders in council that have been passed subsequently to the expiration of the time limit provided in section 8 of chapter 58 will have to be reenacted. I will go further. I do not believe that the auditor general has the power to authorize any payments on the commitments already authorized during that period of time when the act was not in existence and especially during the interlude from March 1 to the date when the bill will have received royal assent. But there is the other phase of the problem. The Prime Minister has stated most emphatically his reluctance in requesting parliament to reenact chapter 58, and this request he has said is for a specific period of six weeks—six weeks from the present day up

to the first of May next. May I ask what is going to happen after May 1 next? Is the Prime Minister going to ask parliament again to extend the time limit provided by the act? Or, in view of the fact that the bulk of the works and undertakings under commitment cannot possibly be completed by May 1, is the Prime Minister going to ask the house to pass special supplementary estimates? If he is going to do so, why not do it now?

There is a third course which the administration might possibly take, and, frankly, I am rather reluctant to mention it. I am one of those who think that the powers granted under chapter 58 are so broad that if the government so desired they might by order in council amend the act itself. As a matter of fact, this has already been done. I would refer you to order in council 2043, contained in the report tabled by the Minister of Labour. If you will look at appendix C, setting out the agreement between the dominion and the provinces, you will find in paragraph 13 the following words:

> All public works and undertakings to which contributions may be made under the provisions of clauses 6, 8, 9 and 10 of this agreement, are to be carried on from the date of their commencement to the date of their completion, which latter date shall be not later than the 1st of May, 1932.

Therefore as far back as August last the government, by order in council, have extended the time limit provided by the act. In view of these apprehended administrative difficulties which I have mentioned, I am forced to the conclusion that in pursuing this course the government have created for themselves an extremely awkward situation, the effect of which is bound to be reflected on those very people whom they are trying to help, namely, the unemployed. On the other hand, a specific appropriation voted by parliament, including the contingencies vote I have mentioned, would eliminate all these obstacles and enable the government for a full fiscal year to go on with past and future commitments, and it would also enable them to meet emergencies.

In submitting this concrete proposal to the house I have tried to avoid all blame for criticism. But there is one sweeping statement made by the Prime Minister to which I wish to refer. He has stated that the demands of the members of this house, in answer to Mr. Hereford, were so exceedingly large that it was impossible for the administration to comply with them. Let me qualify that statement so far as my own constituency is concerned. All the demands that came from me for the county of Rimouski never exceeded $35,000. I asked that a special credit of $5,000 be placed at the disposal of the local engineer, and I asked also that all labourers to be employed under that appropriation should be chosen by the parish priest or the municipal council. I wanted to avoid politics in the matter. But what have we seen so far as the rural constituencies of Quebec are concerned? We have seen that in a few constituencies represented by Conservative members their demands have been met; but so far as the Liberal members were concerned, we never got one sou. Well, even at this late date I appeal to the Minister of Labour to look more carefully into the demands made, more especially from my county.

Mr. GORDON: I wonder whether the hon. gentleman will tell me one instance where relief was denied when application was made.

Sir EUGENE FISET: Let me cite at once exactly what the hon. member for Dorchester stated, as to the relief that he had obtained for his own county.

Mr. GORDON: But from you.

Sir EUGENE FISET: Even now I am appealing to the Minister of Labour.

Mr. GORDON: But from you.

Mr. LAPOINTE: Is this another dictatorship?

Sir EUGENE FISET: I have already made the statement. The demands we have made for Rimouski are of such importance to that constituency that I dare, even at this date, to appeal to the minister to relieve our population. I have tried my best, throughout my remarks, not to criticize. The only criticism I have made has been with reference to what was said by the hon. member for Dorchester himself. I have perused to the best of my ability the details of this report, and I cannot possibly see for our rural constituencies—

Mr. GORDON: I rise to a point of order. Will the hon. gentleman give me one instance in his constituency—

Mr. MOTHERWELL: That is not a point of order.

Mr. GORDON: —where consideration was not given to an application for relief?

Sir EUGENE FISET: I have already mentioned the application that came from the county of Rimouski. I never mentioned the word "relief"; I said for public works authorized and paid for by the federal government, and I say the demands of the

county of Rimouski amounting barely to $35,000 for the whole county are so legitimate that I appeal to the minister again to peruse the demands made by me. If he does so, I think he will find them so reasonable he will be unable to refuse to help my people.

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, during the course of this debate we on this side have contended that this measure submitted to the house is a usurpation of the rights of parliament. This is not a mere expression of view; we have the best possible authority for the statement. I regret that the Prime Minister (Mr. Bennett) paid only a flying visit to the chamber and has left just before I could ask him some questions regarding his speech of the other day. The right hon. gentleman, in his own words uttered in this chamber last year, characterized the present action of the government as a usurpation. This is what he said on that occasion, when he shortened the time during which that statute was to be in force:

I am not without full realization of what is involved in the bill but in order to meet my right hon. friend I will shorten the time to March 1 and make it clear that we have no desire to usurp powers as was suggested.

What does that mean? It means that for the government to take those powers while the house was in session constitutes a usurpation, and that is what he is going to do this year. Why is it necessary then, to do this? Why usurp the rights of parliament, as admitted by the Prime Minister, has been done? Why make this parliament a mere recording machine and a rubber stamp? The obstinacy of my right hon. friend, of course, gave rise to many suspicions and misgivings. We had our surmises, but he himself in his speech last Wednesday gave in so many words the real purpose of the measure now before the house. I refer hon. gentlemen to page 1414 of Hansard, where the Prime Minister is reported as saying:

We do not believe this power will be called into play.

That is the present power asked for by this legislation.

Nay, more, we sincerely and fervently hope that it will not be. But, sir, what is a man without a weapon in the midst of armed force?

What the armed force is, I fail to see.

What is a man who has no instrument for his protection in the midst of the strife of brigands?

Where the brigands are, I still fail to see. Note these words:

Without this power we should be without a weapon that could be used except through a bill in parliament—

And note particularly these last words:

—and with the strange views that obtain in these days there is no assurance that the mind of the government would be sufficiently strong to secure consent for any measure we might introduce.

What does this mean? It means that the Prime Minister is not sure even of his followers. He is not sure of the strength of the government; he wants power to enact legislation by order in council, and our hon. friends opposite are applauding their own humiliation.

An hon. MEMBER: Eighty-three to forty.

Mr. LAPOINTE: Hon. gentlemen opposite are cheerlessly whistling to keep up their courage. Further, what does this mean? It means that parliament is being asked to abrogate its position as the predominant factor in legislation. It means that we are being asked to agree to be dragged at the wheels of the Prime Minister and to make parliament an appendage of the executive. This attitude of the Prime Minister makes our duty to resist this legislation more imperative. The first duty of parliament is to remain a parliament, not to become a subservient and ornamental body. Parliament has a right which is certainly paramount to the convenience of the Prime Minister, the right to live. It has the duty to defend itself and not to allow anybody to invade its rights and privileges. It is the will of parliament, not that of the government, that is the will of the nation. When the Prime Minister says that he speaks for the whole of the country, he is mistaking the echo of his words for the voice of the Canadian people. It is parliament which is and must remain the authorized exponent of public opinion and of the public will. The legislation, the policies, must be what this house makes them. Even the government must be what the house makes it.

Mr. GOBEIL: That is what it will be.

Mr. LAPOINTE: That is very intelligent; it reminds me of the words of the Greek poet Homer that the gods deprive of half their intelligence those who lose their freedom. Parliament, and not the executive, is the instrument, the machinery selected by the people for the expression of their will.

Mr. GORDON: Whom the gods would destroy, they first make mad.

Mr. LAPOINTE: The Minister of Labour, instead of interjecting his little interruptions, might have the courage to make a speech. Under the British system of government, the parliamentary rules and procedure are the

safeguard of those fundamental principles which protect and advance liberty, and they provide the protection for that liberty against the whims, selfishness, greed, thoughtlessness and injustice of any man or set of men. The sovereignty of the people is delegated to parliament, not to the executive, and when I say "parliament," it means the minority as well as the majority in parliament.

The Prime Minister has a queer notion of the rights of a minority in parliament. He quoted the words of the Right Hon. Ramsay MacDonald about the duties of an opposition. I agree with every word expressed by Mr. MacDonald in that regard. The duties of an opposition are, as he says, to discuss the measures which are submitted to parliament on the various stages of the bills, certainly not to obstruct. He says that would be a crime against the state. But, Mr. Speaker, when the measure is one that has the effect of making parliament extinguish itself, when it is a measure for the purpose of taking away all the rights, privileges and powers of parliament, it is then the duty of the opposition to try to prevent its adoption, and those who perpetrate a crime against the state are those responsible for bringing down such a measure.

An hon. MEMBER: Humbug.

Mr. LAPOINTE: Hon. gentlemen opposite know what that word means. They have been following something that looks like it for some considerable time.

In expressing his distrust of parliament—because those words of the Prime Minister amount to that—of course he is true to his real Tory mentality and traditions. Parliament, according to this gentleman, cannot safely be trusted. What he would conceive as a parliament is that we should stand at attention and salute when the Prime Minister wants us to do so, a parliament that would be ready to goose-step at the behest of the Prime Minister. Sir, the methods of the czar have produced bolshevism, and we do not wish to introduce that in Canada. It is an evil work, I claim, on the part of those who are in this way undermining the authority of parliament; and to say that parliament is not equal to any emergency is a libel on parliamentary government. Parliamentary government is the only form of free government, and it has stood the test. It has stood the test especially during the great conflict of ten or twelve years ago. All those countries which enjoy parliamentary government have come out of that conflict solid as the rock of Gibraltar, while the other countries where there was no parliamentary government have gone to pieces.

If hon. gentlemen opposite have failed, let them not blame parliament. Let them not blame the constitution, parliamentary rules and parliamentary practices. They are the originators of their own troubles; they are the creators of their own failures. And, Mr. Speaker, what a pernicious example is being set by the present method of government, and especially by the words of the Prime Minister of Canada. Why, only two days ago the newspapers were reporting that in the legislature of Ontario a bill was introduced, read the first time, read the second time, without being printed, without being on the order paper, and against the protest of both oppositions in the house, and then a vote was taken in the house declaring that what was done was right. When the example starts from the mother of parliaments in this country, it is no wonder that such a thing happened.

Sir, the Prime Minister resents the charges of dictatorship which have been mentioned. He was very eloquent in describing the will power of his colleagues and the great work they are doing in the cabinet. Well, even if that is true, it does not change the situation so far as this bill is concerned. The executive as a whole is the servant, and not the master, of parliament. In the process of gaining freedom it has never been the intention of modern men to substitute an autocrat with many heads for an autocrat with only one head. They have struggled to create a representative legislative body, and to define the area of civil and political liberty into which no body of men and no autocrat, whether with only one head or many heads, could enter.

The cabinet, Mr. Speaker, is a partisan body. It has been created by partisanship.

An hon. MEMBER: It always was.

Mr. LAPOINTE: It certainly always was. But in parliament other views than those of the cabinet are represented, and that is what makes the difference. In parliaments, minorities have the right to express their opinions on measures and on policies which are submitted to them. Not so around the council table, where only a body of partisans sits. It does not matter that all provinces are represented in the cabinet, as my right hon. friend suggested the other day. They are represented, yes, but only by one shade of opinion. Let me say that so far as I am concerned the electors of Quebec East—they may be wrong—prefer that I should express their views rather than that they should be expressed by my friend the Minister of Marine (Mr. Duranleau) or by the Postmaster General (Mr. Sauvé). More than that, for us from

Quebec city and the district of Quebec there is all the more reason for objecting to only the executive speaking for us, because we have nobody in the cabinet representing us at the present time. Our minister is in Geneva, doing great work, I have no doubt, but we have nobody around the council table to express our view.

Mr. HANSON (York-Sunbury): Very cheap.

Mr. LAPOINTE: There is nothing cheap in that. I do not blame him for doing that. I think it is great work that he is doing at Geneva. But at the same time there is nobody around the council table speaking for Quebec city and the district of Quebec.

Mr. GORDON: Will my hon. friend—

Mr. LAPOINTE: I am sorry I cannot give way to my hon. friend, as I have only twenty minutes and my time is nearly up.

A great prime minister of England once said—I do not think the Prime Minister of Canada would repeat this—that all his ministers were ciphers, that he was the only unit that was giving value to them. I hope that that is not the idea of the right hon. the Prime Minister, but by introducing legislation such as this he seems to consider not only his ministers, not only his followers, but the whole of parliament as nothing but ciphers and himself as the only unit that gives value to the legislative body of Canada.

Mr. GORDON: Nonsense.

Mr. LAPOINTE: Will you keep quiet? The Prime Minister is able; I am the first to admit it. I admire his qualities, but he will forgive us if we on this side of the house do not trust him. We have no confidence in his methods, in his mentality and in his doctrine. We cannot make him the sole power. May I add that he has also some weaknesses, as I mentioned the other day, and perhaps the leader of a party, as a chain is no stronger than its weakest link, is no stronger than his weak points and his weaker moments. The real motive behind this proposed legislation, I am afraid, is that the government has no definite policy to offer to parliament. There has been all the time a policy of indecision, nothing definite. Their stand has been: Sufficient unto the day is the statesmanship thereof. They have not been very successful in the things they have undertaken. The statement has been made that the House of Lords does nothing in particular, but does it well. This government has done many things, but has never done them well.

In former days the Prime Minister was very respectful of the rights of parliament. At page 1261 of Hansard, 1928, he is reported as follows:

> It will be a poor day for the Canadian parliament when it becomes a rubber stamp to enforce the will of the Prime Minister; it will be a poor day for this country when the parliament of Canada is to be a rubber stamp to record the will of the Minister of Railways or the Minister of Agriculture; it will be a poor day, sir,—

And it would seem that the next statement proves Mr. Dunning must have had prophetic powers:

> Mr. Dunning: Or to rubber stamp your will.
> Mr. Bennett: That might be.

Why to-day should he be in such a frenzy to destroy parliamentary power?

Mr. SPEAKER: The hon. member has spoken for twenty minutes.

Mr. J. T. HACKETT (Stanstead): Mr. Speaker, hon. members have listened with interest to the eloquent remarks which invariably fall from the lips of the hon. member for Quebec East (Mr. Lapointe). As a coiner of phrases, a man accustomed to the hustings and to the tricks of the hustings he is deserving of high praise. He has endeavoured to place before the house the views of hon. gentlemen who surround him; his speech is probably one of the last to be uttered in this debate from the opposite side of the house. He has availed himself of that opportunity to summarize and to place before parliament the case as hon. members on his side of the house view it.

I find however that the hon. member is slightly inconsistent. One moment he complains of the vacillations of the government; he makes the statement that the government has no policy. Then with that swift transition of which he is capable he complains of the relentless energy with which the government is forcing home the proposed legislation. Hon. gentlemen opposite have complained in tones major and minor that the government has no policy. I should like to remind them that from the early days of its existence this government has had a policy which it has enforced fearlessly and energetically. It has had a policy in which it believes and which it is willing to enforce.

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

Some hon. MEMBERS: Sit down.

Mr. HACKETT: The government has attempted to execute its policy without reference

to a commission, a committee or a conference. Hon. gentlemen opposite are of that peculiar ilk who think that if a government does something directly and of its own initiative without the dawdling intermediary of a commission, conference or committee, the work cannot properly be performed.

Mr. SANDERSON: Mr. Speaker, I should like to ask—

Some hon. MEMBERS: Sit down.

Some hon. MEMBERS: Order.

Mr. HACKETT: For the first time in ten years—

Mr. SANDERSON: I rise to a point of order. Mr. Speaker, I direct your attention to the fact that the hon. member who is now speaking is not speaking from his own seat.

Some hon. MEMBERS: Oh, oh.

Mr. HACKETT: Mr. Speaker, the interruption typifies the policy of hon. gentlemen opposite—more constructive criticism.

Some hon. MEMBERS: Oh, oh.

Mr. HACKETT: For three or four weeks we have listened to idle criticism by hon. gentlemen opposite.

An hon. MEMBER: C.P.R.

Mr. HACKETT: The other day the hon. member for Vancouver Centre (Mr. Mackenzie) told the government that the opposition had made what he was pleased to call constructive criticism. If hon. members will turn to page 1201 of Hansard for this year they will find he referred to twelve constructive suggestions. With your permission, Mr. Speaker, I shall enumerate them: First he suggested that a national unemployment relief committee should be appointed. It was to act as a shock absorber, or a body behind which the government might shield itself from the ill will of an incensed electorate. My reply to the hon. member is that this government is able and willing to take the responsibility for its actions. That was the first constructive suggestion of the hon. member opposite to relieve unemployment. The second was to bring in a supply bill. Then followed ten other suggestions, some of which were constructive, but every one of which emanated from the far corner of the house. Since when has the hon. member for Vancouver Centre been authorized to speak for that independent element in the house which so frequently supports the constructive work of this government?

An hon. MEMBER: C.P.R.

[Mr. Hackett.]

Mr. HACKETT: Hon. gentlemen opposite indulge in personalities; they ask me to speak of railways. I am willing any day to meet any of them on that topic. However until they are able to explain the inroads they made upon the finances of this country, and until they can explain their wild and extravagant administration of the railways, and the unbridled expenditure which has brought this country to the verge of bankruptcy, I feel they would be better advised to hold their peace on the railroad question.

My views may differ from those of other hon. members on this side of the house: I concede that there is a constitutional question—not a constitutional issue, but, thank God, a constitutional difference between hon. members on this side and hon. members opposite. That difference, Mr. Speaker, is the difference between the doer and the dilettante; the difference between men who are able to undertake and carry out a definite policy and men who obstruct that policy and seek by shifting methods to shield themselves from popular censure. This government made pledges that it would raise the tariff; it has carried out those pledges. It made pledges that it would relieve unemployment; it has relieved unemployment. It made pledges that it would help the farmers—and gentlemen opposite for four long weeks have stood between the farmers and that aid. This so called constitutional issue, this party cry of tiresome antiquity which has echoed through the house for the last three or four weeks is without substance and without sincerity. In the days when there was a constitutional issue in Canada there were men in the house who took the matter seriously; everyone knows to-day that it is but a subterfuge, but a futile attempt to justify in the eyes of the electorate conduct—most reprehensible conduct—of gentlemen opposite.

Some hon. MEMBERS: Order.

Mr. HACKETT: This constitutional cry is dead, killed by party disfavour and by popular contempt. There is something before the house, Mr. Speaker, which is of deeper and graver import than the topic which has been talked about in a most irrelevant, if not irreverent, fashion. We who have sat in the house for the last three weeks have heard dictionaries, antiquated Hansards and books of reference read to fill in the forty or twenty minutes allotted to hon. gentlemen sitting opposite. To-day we are dealing with a crisis, we have it from the mouths of hon. gentlemen opposite that there is no crisis. The fact is they have failed to realize, as demonstrated by their

conduct, that there are great issues at stake. Let hon. gentlemen opposite go into the constituencies, let them go into the cities, let them mix with the ordinary man on the street, in the store, in the market place, and they will learn that there is an issue; they will learn also that the men who are dealing with it possess public confidence. Men who are willing to dare and do, who are not bound down by any antiquated rules of procedure in their attempt to carry out the popular will, are endowed with the confidence of the public to-day.

During this debate we have had from a remote part of a remote province what I suggest to hon. gentlemen opposite is a very clear indication of popular feeling towards them and their attitude with respect to this legislation. A thoroughly agricultural community, a community which depends probably as much as any other in the whole western area upon the assistance to be received from the government in the way of seed and feed, has said emphatically and clearly that it will not countenance the tactics of hon. gentlemen opposite. The hon. member for North Battleford (Mr. McIntosh) this evening told us that the gentleman who was elected for Athabaska represented a minority of the votes. I will not attempt to contradict figures, but since he spoke I have availed myself of information at hand and I find that the hon. gentleman from North Battleford came into parliament in much the same way—and it is not to his discredit.

Mr. McINTOSH: Not quite the same way —altogether different.

Mr. HACKETT: Not quite the same way? The hon. gentleman polled 7,168 votes; the candidate who came next polled 6,073 votes; and the third candidate polled 2,248 votes. My hon. friend is a minority representative by nearly two thousand votes. I do not hold that up to him as a reproach, but I want him to realize that under our constitution minorities do not control. That may not be a wise rule, but it is the rule under which British institutions have held sway for many a century. That rule holds just as true in parliament as it does in constituencies. In this house a substantial majority favours this legislation, that the people in Montreal, Toronto, Winnipeg and Vancouver may have the moneys which have been promised to them; that the farmers of the west may have that seed which they hope to sow next month that they may reap a crop in the autumn, and thus recoup themselves for the misfortunes of the past three years. Do hon. gentlemen opposite realize that we are dealing with bread and butter, with human sustenance? One hon. gentleman told us to-night of children walking along sloppy roads in footwear that was ill-suited to such conditions. Is he aware that the tactics that he and his friends have adopted stand between those children and comfort and health? Hon. gentlemen opposite have failed to realize that this government has come into office to perform a very definite function—to alleviate suffering which is the result to a large extent of a world-wide depression. Do they realize that there is a crisis, that there is suffering, that there must be a distribution of means of support, and that this government has adopted the only means within its reach to bring assistance to these people? Do hon. gentlemen opposite understand that the whole conception and sweep of the policy of this government has been to bring help to those who are in need? Do they realize that the government dislikes this legislation just as much as they do, but that they deem it necessary, and therefore are unwilling to shirk the duty which rests upon government to minister to those who for the time being have been confided to their care?

I admit, Mr. Speaker, that there is this constitutional difference between men who fail to realize and who are unwilling to achieve, and men who do realize and who are willing to do. I do not ask hon. gentlemen opposite to cooperate; men of their point of view, who fail to realize the actualities of the day and fail to live up to the opportunity of the hour cannot be expected to cooperate with those who do realize the position and who have staked their all to relieve the trying conditions in which the Canadian people find themselves to-day. Such cooperation, Mr. Speaker, would be a defiance of the very laws of nature. I turn to hon. gentlemen on this side of the house and say: Be of high heart; your cause is good. Our right hon. leader is called a Mussolini and a czar because there is no argument to offset his policy. All that remains to hon. gentlemen opposite is the vocabulary of exaggeration and the small arms of petty politics.

The house divided on the motion (Mr. Weir) which was agreed to on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park),	Barber,
Anderson (Halton),	Baribeau,
Arsenault,	Barrette,
Arthurs,	Beaubier,
Baker.	Belec,
	Bennett,

Bourgeois,
Bowen,
Bowman,
Boyes,
Bury,
Campbell,
Cantley,
Carmichael,
Casselman,
Charters,
Cormier,
Cowan (Long Lake),
Dickie,
Dorion,
Duguay,
Duranleau,
Embury,
Esling,
Fortin,
Fraser (Cariboo),
Gagnon,
Ganong,
Gardiner,
Garland (Bow River),
Garland (Carleton),
Geary,
Gobeil,
Gordon,
Gott,
Guthrie,
Hackett,
Hanson (York-Sunbury),
Hay,
Irvine,
Jones,
Kennedy (Peace River),
Laflèche,
Larue,
Laurin,
Loucks,
Lucas,
Luchkovich,
Macdougall,
MacLaren,
MacMillan (Saskatoon),
MacNicol,
McDade,
McGibbon,
McGillis,
McGregor,
McLure,
Manion,
Matthews,
Moore (Chateauguay-Huntingdon),
Myers,
Nicholson,
Peck,
Pettit,
Pickel,
Plunkett,
Price,
Quinn,
Robinson,
Ross,
Rowe,
Ryckman,
Sauvé,
Senn,
Shaver,
Simpson (Simcoe North),
Simpson (Algoma West),
Smith (Victoria-Carleton),
Smoke,
Spankie,
Speakman,
Spence,
Spencer,
Spotton,
Sproule,
Stanley,
Stevens,
Stewart (Leeds),
Stewart (Lethbridge),
Stinson,
Stirling,
Sutherland,
Swanston,
Tétrault,
Thompson (Simcoe East),
Thompson (Lanark),
Tummon,
Weese,
Weir (Melfort),
White (Mount Royal),
Wilson,
Wright.—107.

NAYS

Messrs:

Ahearn,
Bertrand,
Blair,
Bothwell,
Bouchard,
Boucher,
Boulanger,
Bourassa,
Bradette,
Cardin,
Casgrain,
Cayley,
Chevrier,
Denis,
Deslauriers,
Desrochers,
Dumaine,
Dupuis,
Euler,
Factor,
Fafard,
Fiset, Sir Eugène,
Fontaine,
Fournier,
Fraser (Northumberland, O.),
Girouard,
Goulet,
Hall,
Hanson (Skeena),
Heaps,
Hepburn,
Howard,
King, Mackenzie,
Lacroix,
Lapointe,
Mackenzie (Vancouver Centre),
MacLean,
McKenzie (Assiniboia),
McMillan (Huron South),
Mercier (Laurier-Outremont),
Mitchell,
Moore (Ontario),
Motherwell,
Neill,
Perras,
Power,
Reid,
Rhéaume,
Roberge,
Rutherford,
St-Père,
Sanderson,
Séguin,
Thauvette,
Totzke,
Vallance,
Veniot,
Verville.—58.

PAIRS

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

Messrs:

Bell (Hamilton),
Bell (St. Antoine),
Bell (St. John-Albert),
Beynon,
Black (Halifax),
Burns,
Cahan,
Chaplin,
Cotnam,
Cowan (Port Arthur-Thunder Bay),
Dupré,
Edwards,
Harris,
Johnstone,
Kennedy (Winnipeg South Centre),
Lawson,
Lennox,
MacDonald (Cape Breton South),
Macdonald (Kings),
Maloney,
Morand,
Mullins,
Murphy,
Perley (Qu'Appelle),
Perley, Sir George,
Porteous,
Rhodes,
Rogers,
Ryerson,
Short,
Smith (Cumberland),
Stitt (Nelson),
Stitt (Selkirk),
Sullivan,
Turnbull,
White (London),
Willis,
Mercier (St. Henri),
Raymond,
Dubois,
Coote,
Dubuc,
Butcher,
Rinfret,
Malcolm,
Hurtubise,
Ilsley,
Ferland,
Elliott,
Jacobs,
Donnelly,
McIntosh,
Gray,
Pouliot,
Urquhart,
Hanbury,
Young,
Parent,
Howden,
Stewart (Edmonton West),
Munn,
Marcil,
Macphail (Miss),
Ralston,
Woodsworth,
Taylor,
Heenan,
Duff,
Beaubien,
Weir (Macdonald),
Brasset,
McPhee,
Gershaw,
Brown.

Mr. COTNAM: I was paired with the hon. member for Nipissing (Mr. Hurtubise). Had I voted, I would have voted for the motion.

Mr. DONNELLY: I was paired with the hon. member for Cape Breton-North Victoria (Mr. Johnstone). Had I voted, I would have voted against the motion.

Mr. RALSTON: I was paired with the hon. the Minister of Finance (Mr. Rhodes). Had I voted, I would have voted against the motion.

Mr. ILSLEY: I was paired with the hon. member for Port Arthur-Thunder Bay (Mr. Cowan). Had I voted, I would have voted against the motion.

Mr. MERCIER (St. Henri): I was paired with the hon. member for West Hamilton (Mr. Bell). Had I voted, I would have voted against the motion.

Mr. EDWARDS: I was paired with the hon. member for West Middlesex (Mr. Elliott). Had I voted, I would have voted for the motion.

Mr. WHITE (London): I was paired with the hon. member for Medicine Hat (Mr. Gershaw). Had I voted, I would have voted for the motion.

Mr. SHORT: I was paired with the hon. member for Kenora-Rainy River (Mr. Heenan). Had I voted, I would have voted for the motion.

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted, I would have voted for the motion.

Mr. RYERSON: I was paired with the hon. member for Norfolk-Elgin (Mr. Taylor). Had I voted, I would have voted for the motion.

Mr. WILLIS: I was paired with the hon. member for Lisgar (Mr. Brown). Had I voted, I would have voted for the motion.

Mr. BLACK (Halifax): I was paired with the hon. member for Chicoutimi (Mr. Dubuc). Had I voted, I would have voted for the motion.

Mr. PORTEOUS: I was paired with the hon. member for Southeast Gray (Miss Macphail). Had I voted, I would have voted for the motion.

Mr. POULIOT: I was paired with the hon. member for North York (Mr. Lennox). Had I voted, I would have voted against the motion.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted, I would have voted against the motion.

Mr. BRASSET: I was paired with the hon. member for St. Ann (Mr. Sullivan). Had I voted, I would have voted against the motion.

Mr. STEWART (Edmonton): I was paired with the Minister of the Interior (Mr. Murphy). Had I voted, I would have voted against the motion.

Mr. PARENT: I was paired with the hon. member for East Essex (Mr. Morand). Had I voted, I would have voted against the motion.

Mr. LAWSON: I was paired with the hon. member for West Lambton (Mr. Gray). Had I voted, I would have voted for the motion.

The house divided on the main motion (Mr. Bennett), which was agreed to on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Arsenault,
Arthurs,
Baker,
Barber,
Baribeau,
Barrette,
Beaubier,
Belec,
Bennett,
Bourgeois,
Bowen,
Bowman,
Boyes,
Bury,
Campbell,
Cantley,
Carmichael,
Casselman,
Charters,
Cormier,
Cowan (Long Lake),
Dickie,
Dorion,
Duguay,
Duranleau,
Embury,
Esling,
Fortin,
Fraser (Cariboo),
Gagnon,
Ganong,
Garland (Carleton),
Geary,
Gobeil,
Gordon,
Gott,
Guthrie,
Hackett,
Hanson (York-Sunbury),
Hay,
Jones,
Kennedy (Peace River),
Laflèche,
Larue,
Laurin,
Loucks,
Macdougall,
MacLaren,
MacMillan (Saskatoon),
MacNicol,
McDade,
McGibbon,
McGillis,
McGregor,
McLure,
Manion,
Matthews,
Moore (Chateauguay-Huntingdon),
Myers,
Nicholson,
Peck,
Pettit,
Pickel,
Plunkett,
Price,
Quinn,
Robinson,
Ross,
Rowe,
Ryckman,
Sauvé,
Senn,
Shaver,
Simpson (Simcoe North),
Simpson (Algoma West),
Smith (Victoria-Carleton),
Smoke,
Spankie,
Spence,
Spotton,
Sproule,
Stanley,
Stevens,
Stewart (Leeds),
Stewart (Lethbridge),
Stinson,
Stirling,
Sutherland,
Swanston,
Tétreault,
Thompson (Simcoe East),
Thompson (Lanark),
Tummon,
Weese,
Weir (Melfort),
White (Mount Royal),
Wilson,
Wright.—100.

NAYS

Messrs:

Ahearn,	King, Mackenzie,
Bertrand,	Lacroix,
Blair,	Lapointe,
Bothwell,	Lucas,
Bouchard,	Luchkovich,
Boucher,	Mackenzie (Vancouver Centre),
Boulanger,	MacLean,
Bourassa,	McKenzie (Assiniboia),
Bradette,	McMillan (Huron South),
Cardin,	Mercier (Laurier-Outremont),
Casgrain,	Mitchell,
Cayley,	Moore (Ontario),
Chevrier,	Motherwell,
Denis,	Neill,
Deslauriers,	Perras,
Desrochers,	Power,
Dumaine,	Reid,
Dupuis,	Rhéaume,
Euler,	Roberge,
Factor,	Rutherford,
Fafard,	St-Père,
Fiset, Sir Eugène,	Sanderson,
Fontaine,	Séguin,
Fournier,	Speakman,
Fraser (Northumberland, O.),	Spencer,
Gardiner,	Thauvette,
Garland (Bow River),	Totzke,
Girouard,	Vallance,
Goulet,	Veniot,
Hall,	Verville.—64.
Hanson (Skeena),	
Heaps,	
Hepburn,	
Howard,	

PAIRS

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

Messrs:

Bell (Hamilton),	Mercier (St. Henri),
Bell (St. Antoine),	Raymond,
Bell (St. John-Albert),	Dubois,
Beynon,	Coote,
Black (Halifax),	Dubuc,
Burns,	Butcher,
Cahan,	Rinfret,
Chaplin,	Malcolm,
Cotnam,	Hurtubise,
Cowan (Port Arthur-Thunder Bay),	Ilsley,
Dupré,	Ferland,
Edwards,	Elliott,
Harris,	Jacobs,
Johnstone,	Donnelly,
Kennedy (Winnipeg South Centre),	McIntosh,
Lawson,	Gray,
Lennox,	Pouliot,
MacDonald (Cape Breton South),	Urquhart,
Macdonald (Kings),	Hanbury,
Maloney,	Young,
Morand,	Parent,
Mullins,	Howden,
Murphy,	Stewart (Edmonton West),
Perley (Qu'Appelle),	Munn.
Perley, Sir George,	Marcil,
Porteous,	Macphail (Miss),
Rhodes.	Ralston,
Rogers,	Woodsworth,
Ryerson,	Taylor,
Short,	Heenan,
Smith (Cumberland),	Duff,
Stitt (Nelson),	Beaubien,
Stitt (Selkirk),	Weir (Macdonald),
Sullivan,	Brasset,
Turnbull,	McPhee,
White (London),	Gershaw,
Willis,	Brown.

[Mr. Lawson.]

Mr. WHITE (London): I was paired with the hon. member for Medicine Hat (Mr. Gershaw). Had I voted, I would have voted for the motion.

Mr. EDWARDS: I was paired with the hon. member for West Middlesex (Mr. Elliott). Had I voted, I would have voted for the motion.

Mr. MERCIER (St. Henri): I was paired with the hon. member for West Mamilton (Mr. Bell). Had I voted, I would have voted against the motion.

Mr. DONNELLY: I was paired with the hon. member for Cape Breton-North Victoria (Mr. Johnstone). Had I voted, I would have voted against the motion.

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted, I would have voted for the motion.

Mr. LAWSON: I was paired with the hon. member for West Lambton (Mr. Gray). Had I voted, I would have voted for the motion.

Mr. WILLIS: I was paired with the hon member for Lisgar (Mr. Brown). Had I voted, I would have voted for the motion.

Mr. RALSTON: I was paired with the Minister of Finance (Mr. Rhodes). Had I voted, I would have voted against the motion.

Mr. POULIOT: I was paired with the hon. member for North York (Mr. Lennox). Had I voted, I would have voted against the motion.

Mr. BRASSET: I was paired with the hon. member for St. Ann (Mr. Sullivan). Had I voted, I would have voted against the motion.

Mr. ILSLEY: I was paired with the hon. member for Port Arthur-Thunder Bay (Mr. Cowan). Had I voted, I would have voted against the motion.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted, I would have voted against the motion.

Mr. SHORT: I was paired with the hon. member for Kenora-Rainy River (Mr. Heenan). Had I voted, I would have voted for the motion.

Mr. STEWART (Edmonton): I was paired with the Minister of the Interior (Mr. Murphy). Had I voted, I would have voted against the motion.

Motion agreed to, and the house went into committee on the resolution, Mr. Hanson (York-Sunbury) in the chair.

Mr. GUTHRIE: It is evident, I think, from the reading of the resolution, that it was framed some time ago. Notice was given of the resolution about February 24 last, and the wording of it would hardly be appropriate to the situation which exists to-day. I therefore beg to move:

That all the words after the word "bill" in the said motion be struck out and the following substituted therefor:

To extend until the first of May, 1932, the operation of the Unemployment and Farm Relief Act, 1931, which expired on the first of March, 1932.

This, I submit, is a change of form, not of substance, and does not alter in any way the principle of the resolution.

Mr. MACKENZIE KING: May I ask whether it is not essential that any amendment be relevant to the resolution that it proposes to amend? The resolution reads:

That it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931.

The resolution is not that it is expedient to introduce a bill; it is that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931. Chapter 58 of the statutes of Canada, 1931, is non-existent, and a non-existent entity cannot be amended, no matter what it is. The act does not exist, and I would ask you, Mr. Chairman, to rule as to whether, in the circumstances, the amendment is in order.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I rule that the amendment is in order and quite relevant.

Mr. MACKENZIE KING: On what ground is it relevant? Can the chairman give us the reasons?

The CHAIRMAN (Mr. Hanson, York-Sunbury): If reasons are required, I shall refer hon. gentlemen to May, page 546, which states:

The approval or the reduction of the expenditure under consideration, or a modification of the terms and conditions of the charge thereby created, are the matters specially entrusted to such a committee, and to these objects amendments are directed, but when the motion made in committee is more restricted than the resolution upon which, with the royal recommendation, the committee was appointed, amendments to the motion extending its scope are in order as long as they fall within the terms of the resolution upon which the committee was appointed.

I think that authority would be quite sufficient. It would simply be a change in form and not of substance.

Mr. MACKENZIE KING: If I understood what the chairman has just read, the words are that an amendment must be within the terms of the resolution.

The CHAIRMAN (Mr. Hanson, York-Sunbury): The authority is that in committee the terms of the resolution can be changed.

Mr. MACKENZIE KING: Certainly the terms can be changed if what is before the committee is something that exists, but a non-existent measure cannot be amended.

Mr. RALSTON: I understood another sentence that the chairman read from that authority was—

The CHAIRMAN (Mr. Hanson, York-Sunbury): I have given my decision. It may be appealed.

Mr. RALSTON: I was raising another point. I understood from the authority the chairman read that the amendment must not involve a greater commitment than the original resolution. I beg to point out that this amendment involves a greater commitment because it involves a commitment from March 1 to the present time.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I would not think it involved a greater commitment. It is simply a change in terms.

Mr. RALSTON: Would the Chairman mind reading that paragraph again, on the point of order? We have not the authorities before us.

The CHAIRMAN (Mr. Hanson, York-Sunbury): May, at page 546, states:

The approval or the reduction of the expenditure under consideration, or a modification of the terms and conditions of the charge thereby created, are the matters specially entrusted to such a committee, and to these objects amendments are directed.

That is sufficient, I should think.

Mr. RALSTON: I am pointing out that this amendment is for neither the approval

nor the reduction of the resolution, but for the increase of the amount which would be provided under it.

Mr. GUTHRIE: Not at all.

Mr. RALSTON: If the original resolution was simply to ratify expenditures from the time the bill founded on it was assented to, and this resolution is for the purpose of laying the foundation for a bill which will ratify all expenditures made from March 1, I submit it is certainly not reducing the amount, but extending it considerably. I understood from some remark made from the other side, that a very considerable amount of money had either been expended or committed to expenditure from March 1 to the present time. If that be so, this amendment certainly involves an increase in the amount which was originally recommended to the house by the representative of the crown, as announced by the Prime Minister.

The CHAIRMAN (Mr. Hanson, York-Sunbury): That is not the sense of the amendment as I understand it. I direct the attention of the house to May at page 510, which states:

> As is subsequently explained (see page 531), the constitutional principle which vests in the crown the sole responsibility of incurring national expenditure, forbids an increase by the Commons of a sum demanded on behalf of the crown for the service of the state. This principle, however, is apparently disregarded when the recommendation of the crown is given to a resolution empowering the expenditure of public money which, framed in general terms, places no limitation on the amount of expenditure to be authorized by the resolution.

That is in point, and I rule against the point of order.

Mr. RALSTON: I should have an opportunity to discuss it.

The CHAIRMAN (Mr. Hanson, York-Sunbury): The point has been discussed two or three times.

Mr. RALSTON: Do you rule, Mr. Chairman, that we cannot discuss it any further?

The CHAIRMAN (Mr. Hanson, York-Sunbury): The hon. member may appeal from the chairman's ruling. Shall the amendment carry?

Mr. MACKENZIE (Vancouver): I rise to a point of order, Mr. Chairman.

Mr. BENNETT: The question is put.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I declare the amendment carried.

Mr. MACKENZIE KING: I submit, Mr. Chairman, that a certain deference is due to the committee. There is no reason why on this particular resolution the committee should be treated any differently from what it would be on any other resolution. Never before has the chairman of the committee attempted completely to prevent discussion on a resolution.

The CHAIRMAN (Mr. Hanson, York-Sunbury): The hon. gentleman was not on his feet.

Mr. MACKENZIE KING: The committee was awaiting some further word from yourself, Mr. Chairman, as to whether you had pronounced the last word, and was considering whether or not it would appeal from your ruling. In any case we have not yet begun to discuss the resolution, and we wish to do so. I would like to begin by asking the Prime Minister a question.

Mr. BENNETT: There is a question before the chair.

The CHAIRMAN (Mr. Hanson, York-Sunbury): The question was put to the house and declared carried.

Mr. MACKENZIE (Vancouver): I was on my feet raising a point of order, Mr. Chairman, when the question was put.

Mr. MACKENZIE KING: I ask you as the chairman of this committee, with considerable experience in the house, whether it is not wholly reasonable for members to ask for an opportunity to debate the resolution, Mr. Chairman, and whether they should not be given the same opportunity they would expect to be afforded with respect to any other resolution.

The CHAIRMAN (Mr. Hanson, York-Sunbury): The answer is this, that when the question was put no hon. member rose.

Mr. MACKENZIE (Vancouver): I was on my feet, Mr. Chairman.

The CHAIRMAN (Mr. Hanson, York-Sunbury): While the question was being put the hon. member for Vancouver Centre rose to a point of order.

Mr. MACKENZIE KING: May I say that my understanding, and certainly what we understood on this side was that you yourself, Mr. Chairman, were to state further to the committee whether you had given a final ruling. We were awaiting from the chairman a final decision, and I submit that a courtesy of the kind should not be taken alvantage of to prevent discussion of the resolution.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Nobody rose.

Mr. MACKENZIE KING: I state to you now, Mr. Chairman, as leader of the opposition, that the only reason I did not rise was that I had a question I wanted immediately to address to the Prime Minister. I was awaiting a pronouncement from you as to whether or not you had given the last word on your ruling.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I am sorry the right hon. gentleman did not hear me, but I put the question and declared the amendment carried, and nobody rose.

Mr. MACKENZIE KING: There have been many similar misunderstandings on previous occasions. Do I understand that the Prime Minister and hon. gentlemen opposite are unwilling to allow the committee to discuss this resolution and are going to take advantage of the technicality raised by the chairman of the committee to prevent further debate? If that is the decision, well and good; we will abide by it. But I submit that before that decision is given—

Mr. BENNETT: Do not threaten.

Mr. LAPOINTE: That is a monopoly.

Mr. MACKENZIE KING: There is no threat in saying that we will abide by the decision of the chairman of the committee, but there is a very distinct threat when the Prime Minister gets up and supports the chairman in an arbitrary ruling which would shut off all discussion.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I take exception to the statement of the right hon. gentleman that I gave an arbitrary ruling. I submit that the ruling was sound. If it was not, there was the right of recourse by way of appeal to the Speaker.

Mr. SPEAKMAN: May I ask a question, Mr. Chairman, for information? Assuming the amendment to have been carried in accordance with your ruling, the question still remains as to whether the resolution as amended shall carry, does it not? And debate may be carried on upon the resolution as amended?

The CHAIRMAN (Mr. Hanson, York-Sunbury): That is my exact understanding of the situation, that the debate may be carried on upon the resolution as amended.

Mr. MACKENZIE (Vancouver): That is not the point of order raised.

Some hon. MEMBERS: Order.

Mr. MACKENZIE (Vancouver): I wish to inform hon. gentlemen that I have the same rights on the floor of this house as any Tory in this assembly. I regret the highly nervous condition of the Prime Minister.

Some hon. MEMBERS: Sit down.

Mr. MACKENZIE (Vancouver): If hon. gentlemen opposite want any expedition in regard to this legislation, I would ask them who is now obstructing unemployment relief for the people of Canada. My hon. friend from Shelburne-Yarmouth (Mr. Ralston) raised a point of order, Mr. Chairman, and you gave a decision on that point of order which, with all due respect, I submit was premature. You immediately put the question without extending to this committee the full courtesy of debating the point of order. I respectfully suggest that the point of order should be revived, because in my humble opinion the amendment that has been moved by the Minister of Justice (Mr. Guthrie) is not a proper amendment to the resolution before the committee.

Mr. SHORT: How do you know?

Mr. MACKENZIE (Vancouver): I know as much about points of order as my hon. friend. A little knowledge is a dangerous thing, and my hon. friend should know that better than anyone else.

The CHAIRMAN (Mr. Hanson, York-Sunbury): The ruling of the Chair was that the resolution was properly before the committee, and that the amendment was regularly moved.

Some hon. MEMBERS: Sit down.

Mr. MACKENZIE (Vancouver): I shall not sit down until the chairman rises.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Will the hon. gentleman take his seat?

Mr. MACKENZIE (Vancouver): That is different.

The CHAIRMAN (Mr. Hanson, York-Sunbury): The position as I understand it—

Some hon. MEMBERS: Stand up.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I apologize to the committee. If I have been lacking in courtesy it is only because of inexperience. The position as I understand it is that the resolution was regularly before the committee on the vote of the house, that an amendment which was quite in order was moved by the Minister of Justice, and no one objecting the question was put and the amendment declared carried. The motion now before the Chair is the motion as amended, and it is quite in order to debate

that. The amendment has been declared carried.

Mr. MACKENZIE (Vancouver): By what procedure, Mr. Chairman, was it carried?

The CHAIRMAN (Mr. Hanson, York-Sunbury): By yea and nay vote.

Mr. MACKENZIE (Vancouver): I was never asked to record my vote on this amendment, Mr. Chairman. I rise, sir, to another point of order. I say in the first place that the amendment moved was not a proper amendment, but you have ruled against that. In the second place, on account of your putting the question so expeditiously, Mr. Chairman, hon. gentlemen on this side of the house have not yet been accorded the courtesy of having a vote on this particular motion, and I ask as a matter of courtesy and consideration—it may seem surprising to ask it at this late date—that the question be renewed.

The CHAIRMAN (Mr. Hanson, York-Sunbury): The hon. gentleman has asked for something that does not take place in committee. There is no recorded vote in committee.

Mr. LAPOINTE: There is a standing vote.

Mr. MACKENZIE KING: I think we have the right to ask for a vote if we wish to have it.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Yes.

Mr. MACKENZIE KING: We do that now.

Mr. GARDINER: I rise to a point of order, Mr. Chairman. Did not the Prime Minister move and the Minister of Justice second a motion that this house go into committee of the whole to consider the resolution?

The CHAIRMAN (Mr. Hanson, York-Sunbury): Yes, that was carried in the house, and we are now in committee to consider the resolution.

Mr. GARDINER: My point of order is that the Minister of Justice, having seconded the motion that the house resolve itself into committee of the whole, cannot move an amendment.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I rule against the hon. member. The motion does not even require a seconder.

An hon. MEMBER: Can he amend his own motion?

The CHAIRMAN (Mr. Hanson, York-Sunbury): Those in favour of the amendment will please rise.

[The Chairman.]

Mr. GARDINER: Mr. Chairman—

Mr. GUTHRIE: Who is in charge of this committee, the chairman or someone else? Put the question.

Mr. GARDINER: What is your ruling?

The CHAIRMAN (Mr. Hanson, York-Sunbury): Is the hon. member bringing up another point of order?

Mr. GARDINER: What is your ruling on my point of order? I cannot hear at this end of the chamber.

The CHAIRMAN (Mr. Hanson, York-Sunbury): My ruling is that the point of order is not well taken, because the motion does not require a seconder; therefore I rule against it. Further, the point of order is not well taken because I do not understand that Mr. Guthrie did second the main motion. At all events, he is entitled to move an amendment.

Mr. GARDINER: Mr. Chairman, it is quite evident you did not understand my point of order.

Some hon. MEMBERS: Oh, oh.

Mr. GARDINER: Very well, I shall stand here until order is restored in the committee. My point is that the Prime Minister moved, seconded by Mr. Guthrie, that the house resolve itself into committee of the whole to consider this resolution. Having seconded the motion to go into committee of the whole, I submit that according to the rules of the house the Minister of Justice is not permitted to move an amendment to the resolution.

Mr. GUTHRIE: What rule is that? There is no such rule.

The CHAIRMAN (Mr. Hanson, York-Sunbury): The motion of the Prime Minister was before the house; this is a motion in committee. We have now reached the committee stage, and therefore I rule that the amendment is in order. Those in favour of the amendment please rise.

Amendment agreed to: yeas, 101; nays, 62.

The CHAIRMAN: I declare the amendment carried, and the question is on the main motion as amended.

Mr. MACKENZIE KING: I should like to ask the right hon. the Prime Minister a question. When last session we were debating what came to be chapter 58 of the statutes of Canada, 1931, exception was taken by the opposition to the fact that as the time fixed for the expiration of the act was March 31, in all probability parliament would be in session at the time, and we would

be giving powers to the government to deal by way of order in council with matters pertaining to the peace, order and good government of the country, that we would also be giving to the government a blank cheque during a time when parliament was in session, and that that would mean a subversion of the rights of parliament. I think the Prime Minister will recall that I stressed that side of the question. In order to meet my objection my right hon. friend changed the date from March 31 to March 1. As his reason for the change he gave that it would avoid any question being raised of the subversion of the rights of parliament. In order that there may be no misunderstanding I will quote his words as they appear in Hansard of 1931 at page 4448:

> I am not without full realization of what is involved in the bill, but in order to meet my right hon. friend I will shorten the time to March 1 and make it clear that we have no desire to usurp powers as was suggested.

What did my right hon. friend mean when he changed the date from March 31 to March 1 in order that there could be no question of a subversion of powers?

Mr. BENNETT: I take it, Mr. Chairman, that I am not here to be cross-examined. I have no observation to make at all as to what took place last session.

Mr. MACKENZIE KING: As leader of the opposition may I say I am here to discover what value is to be attached to the word of the present Prime Minister. Last year the Prime Minister of Canada gave to this parliament a solemn pronouncement in the words which I have just read and which he now repudiates, and which for the most part has occasioned the debate which has taken place. Last year we accepted in good faith the word of my right hon. friend; we believed he meant what he said. We did not think he meant to deceive parliament when this year came round.

Some hon. MEMBERS: Order.

Mr. MACKENZIE KING: We believed he meant that on March 1 the act would expire, that parliament would be in session, and that no effort would be made to extend its provisions while parliament was in session. It was because of the promise which at that time my right hon. friend gave to the opposition that we then ceased to press our opposition to the measure. I ask: what guarantee have we that the change in date now being made has any significance whatever? Can the Prime Minister's word be relied upon?

Mr. BAKER: Always.

Mr. MACKENZIE KING: This is an instance where it cannot be relied upon. I wish to repeat that I have asked the Prime Minister what he meant when he gave his word to parliament.

Mr. BAKER: He always means and makes good what he says.

Mr. MACKENZIE KING: I regret very much that as leader of the opposition I have to say to the Prime Minister of Canada that he has broken faith with parliament—

An hon. MEMBER: Never.

Mr. MACKENZIE KING: —that he has not kept his word, and that from now on we will be unable to accept his word in regard to any public measure.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Shall the resolution as amended carry?

Mr. RALSTON: No, Mr. Chairman. I desire to ask the right hon. Prime Minister by whom the returns are made which are summarized on page III of the Report of the Dominion Director of Unemployment Relief.

Mr. BENNETT: I have not the report beside me. But if the figures are those to which I think the hon. gentleman refers, they are sent forward by the provincial governments to the federal government, if the expenditure is partly discharged by the municipalities, partly by the provinces and partly by the dominion. If the expenditure is made directly by the federal government for public works or matters of that sort, the ordinary vouchers are provided through the Auditor General's department and are purely matters of federal administration. I think that is a correct statement of the position as far as I know.

Mr. RALSTON: I had before me a very recent number of the Labour Gazette which purported to show the number of man-days employment provided under the provisions of this act as being something over 7,000,000. I notice that this report shows less than 7,000,000. I want to find out how the discrepancy occurs and whether those returns were made up by the Department of Labour on a basis different from the basis employed by the Dominion Director of Unemployment Relief, who, I understand, is an officer of the Department of Labour.

Mr. BENNETT: The hon. gentleman perhaps knows that an effort was made to bring the report down to date. But he will find there is no discrepancy between those figures

and the figures appearing in the Labour Gazette. It merely means that the latter figures are later in point of time than those appearing in the report. They are made up from the same report by the same gentleman. Mr. Hereford is an employee of the Department of Labour. The report in the first instance, now before the house, was made up to a particular date with respect to these figures. He did not give the date of the Labour Gazette, but I take it to be later in point of time. There can be no discrepancy because the figures are arrived at in the same way.

Mr. RALSTON: I remember now that the figures were given not in the Labour Gazette, but by the Minister of Labour (Mr. Gordon) in a speech he made a short time ago. It will be found on page 441 of Hansard as follows:

> Under that legislation, 334,301 persons have been given employment up to January 31, 1932, the total number of man-days being 7,415,973.

I call the Prime Minister's attention to the fact that the report of the director of unemployment relief shows that up to January 31, 1932, employment was afforded to 339,007 individuals—that is about 5,000 more than the figures quoted by the Minister of Labour; but the number of man-days is only 6,917,366 —a difference of half a million for exactly the same date. That is why I am trying to find on what date the reports are made up.

Mr. BENNETT: I have explained the information is made up from reports furnished on printed forms supplied by the Department of Labour. Those reports are returned by the provinces. It may be there were some discrepancies. If the hon. gentleman had directed attention to it I would have seen that the matter was disposed of. I find that at page 441 of Hansard the Minister of Labour said:

> The figures I have given will be subject to some slight variation when the report is tabled, which I trust will be shortly.

I think that is perhaps the explanation. I recall that the computations were hurriedly made.

Mr. RALSTON: The point was raised by the hon. member for Rimouski (Sir Eugène Fiset)—the Prime Minister was not in at the time—with regard to what was covered by these expenditures. He pointed out that on page 5 of the report of the director of unemployment relief is contained the form of agreement between the provinces, the municipalities and the dominion. Paragraph 13 provides:

> 13. All public works and undertakings to which contributing may be made under the

> provisions of clauses 6, 8, 9 and 10 of this agreement, are to be carried on from the date of their commencement to the date of their completion, which latter date shall not be later than the 1st day of May, 1932.

Take page 35 of the report, where a total expenditure of $20,000 is apportioned between the municipality, the province and the dominion—fifty, twenty-five and twenty-five. The dominion proportion is $5,000. Does that $20,000 represent money actually spent, or is it a commitment for the work under the agreement, the form of which I have already referred to?

Mr. BENNETT: I think if the hon. member will look at the top of the page he will get the information.

Mr. RALSTON: The columns are headed: Schedule number—description of work—total expenditure—percentage, municipal, provincial, dominion—dominion proportion.

Mr. BENNETT: The two questions the hon. gentleman has asked are answered in this way. As to the first of May being fixed as the period of time within which the agreements were to be completed by the execution of the work, the Department of Justice ruled that with respect to matters of that kind there should be a reasonable time within which to close out the work, provided a contract, so to speak, had been let. I made personal inquiries about it when it was brought to my attention, and that was the explanation given. So far as the other point is concerned, I have not the report before me, but in some instances—and I think they are detailed in the report—expenditures actually made are distinguished from expenditures authorized. I will give the hon. gentleman an illustration. Works in the province of Quebec are being paid for by the dominion, and the province and the municipalities are each making a definite contribution. An agreement has been drawn up and executed by the province and the dominion, the only body with which the dominion has contact being the province. In the instances indicated in that report it will be found that the whole of the contemplated expenditure is expressed—that is, we will say for the sake of argument, not exceeding $20,000 by the dominion, $10,000 by the municipality and $10,000 by the province. There are other instances in that document in which the work has been actually completed and the expenditure made.

The hon. gentleman raised another question, with which I will deal, as to whether under the several agreements executed between the dominion and the provinces, obligations were created before March 1. In point of fact no fresh obligations have been created since March

1, and I should like the hon. gentleman to follow that. The department decided, as a matter of law, that a reasonable time in which to close out work that was under way, and with respect to which the contract was outstanding, was sixty days; hence the reference to May 1 with regard to which the hon. gentleman from Rimouski raised a question.

I should like to quiet my hon. friend's mind with respect to one other point. Apparently he thinks expenditures have been made without warrant and without authority, but this is the position: Some question has been raised as to whether or not, under chapter 58, there was power to pay obligations already created prior to March 1 but which came in for payment subsequent to March 1, and there was one order in council to which attention was directed by the hon. member for Quebec East, dated March 2, which authorized payment to the province of British Columbia of $500,000. That is my memory as to the amount; I speak subject to correction on that point. With respect to that, since the statute was held to be uncertain, we held up every order in council so that there would be no question, after the passing of this bill, that they could be paid. Numbers of these orders in council are now awaiting the passage of this legislation, in order that no question may be raised with respect to their payment.

Mr. RALSTON: Can we take it from my right hon. friend's explanation that no payments have been made or authorized since March 1, except the $500,000 to which my right hon. friend referred?

Mr. BENNETT: Yes. I speak subject to correction, but I have looked over the matter very carefully, and I have had it looked over very carefully, and so far as I know no order has been signed constituting a charge against the consolidated revenue since March 1, except the one to which I have already referred.

Mr. RALSTON: Then can we take the words "total expenditure" as they appear in the table setting out municipal works to which the dominion contributed, as meaning that this money has been actually spent?

Mr. BENNETT: I am now advised that the cheque for $500,000, in point of fact, was held up in consequence of the question as to the certainty of that legislation.

Mr. RALSTON: I was referring to page 35 as a sample page, and I am asking whether the column headed "total expenditure" represents money actually spent.

Mr. BENNETT: No. As the hon. gentleman will see by reference to the context, in every instance starting with page 10 or page 11 these columns indicate the works that are covered in the agreements with the several provinces. That is, they were approved by the provinces and by the dominion, and if the work had been carried to completion the obligation imposed upon the province would be that mentioned in the one column, the obligation on the dominion would be that mentioned in the other column, and where there would be a municipal obligation it would be that mentioned in the first column.

Mr. RALSTON: This is the reason for my difficulty in understanding the report; while the column with regard to municipal and provincial works is headed "total expenditure," which in ordinary English language means that the money has been spent, the column with regard to public works—and I refer my right hon. friend to page 61—is headed "amount authorized," which I should think would be the appropriate term to use in connection with these municipal works if the expenditure was not actually made.

Mr. BENNETT: If the hon. gentleman will turn to page 35 he will see that the first item appears as number 133 in the schedule. The description of the work is "sewers and water mains in Grantham township" and the total expenditure contemplated is $20,000.

Mr. RALSTON: It does not say "contemplated."

Mr. BENNETT: That is the way it was made up, and it is stated that of that expenditure the municipality is to pay 50 per cent, the province 25 per cent and the dominion 25 per cent. It is set out in this way in order that this House of Commons might have full information as to the way in which the work was to be paid for. As to page 61, that being our own transaction over which we had complete control, in that particular case the Department of Public Works was able to indicate the exact sum expended up to February 29, 1932, and that sum appears opposite the amount authorized.

Mr. RALSTON: What I am finding fault with is that with reference to municipal works the column is headed "total expenditure," which we are told means only the amount authorized, but when we come to page 61, which has to do with federal public works, the heading is "amount authorized," and we are told that means only the amount expended. Mr. Hereford wrote me about this and I asked the question in the house as to how much we were committed to in connection with municipal public works, because all

that appears in the report is expenditures and not commitments. Now I understand the Prime Minister to say that, keeping to page 35, the column headed "total expenditure" really means total commitment?

Mr. BENNETT: No, it means the total authorized expenditure under the terms of the agreement to which these several schedules were attached.

Mr. RALSTON: And does not really represent expenditures?

Mr. BENNETT: Quite so.

Mr. RALSTON: It represents only the amount authorized or approved under the agreement?

Mr. BENNETT: It might well be that in some cases the sum was expended by the end of February.

Mr. RALSTON: But we can take it that nothing has been expended since March 1?

Mr. BENNETT: I said no payments had been made, but no works have been discontinued by those carrying them on under the agreements which provided for the carrying on of the works authorized.

Mr. RALSTON: Then I take it that in the bill which will be founded on this resolution no authority will be given to contribute the full amount for which the federal government is committed in connection with municipal works which as yet have not been completed?

Mr. BENNETT: I explained to the hon. gentleman that in my judgment that is perhaps not a correct way to state the situation. The question has been raised as to whether under chapter 58 there is ample power to complete the payments on work already started, as authorized by the agreement.

Mr. RALSTON: Is there really any question about that?

Mr. BENNETT: I think there might be, and those who have had to do with it in our own business think there is no doubt about it in the ordinary course. If the work is not completed within the given time there is still an obligation to pay. But in order that any difficulties might be removed and that it might not be said that there had been any effort to do this, the house is being asked for authority to make matters clear in that regard.

Mr. RALSTON: There is no doubt that the Auditor General would not pass any payment made under this statute after the first of March.

[Mr. Ralston.]

Mr. BENNETT: I think there is doubt as to that. Provided that the work was commenced before the first of March under a contract between the province and the dominion, approved by order in council, the obligation being created and the work being completed, the obligation to pay would continue. But in order that there might be no difficulty about it the house is being asked for authority. The only order in council that was presented was one on March 2. I thought it had gone forward but I am told that as soon as the question was raised—and it was not raised by the Auditor General but by others—it was thought undesirable that the cheque should go out, and the cheque did not go out.

Mr. RALSTON: My right hon. friend says that I suggest there is no doubt. I feel satisfied that there would be no doubt in the mind of the Auditor General and that he would refuse to pay a cheque issued after March 1 for money authorized under the authority of the act which expired on that date.

Mr. BENNETT: That is not clear.

Sir EUGENE FISET: The Prime Minister stated that no commitments have been made since March 1. Have any payments been made since that date on old commitments?

Mr. BENNETT: In answer to the hon. member for Shelburne-Yarmouth (Mr. Ralston), I explained that the only order in council authorizing payment subsequently to the first of March was that with respect to British Columbia, on the second day of March, and which as a matter of fact was not made. And there are awaiting action of council a very large number of orders in council which represent in some instances work completed up to March 1 but which did not get here until the 10th, 12th, 13th and so on, They have not been paid.

Mr. VENIOT: I should like the Prime Minister to make some explanation with regard to item No. 10 on page 12, relating to loss of stumpage due to reduction in stumpage rates. I see there is a total expenditure of $120,000 divided fifty-fifty between the dominion and the province, the dominion's share being $60,000. Can the Prime Minister inform the committee whether that is an estimate or whether that amount has been paid?

Mr. BENNETT: It is an estimate.

Mr. VENIOT: In assuming responsibility for the payment of fifty per cent of this

estimate, did the Department of Labour see to it that reasonable wages would be paid to the men in the woods in view of the reduction? I understand that wages are being paid at a very low rate. The lumbermen are getting the benefit of this reduction of $120,000 and the men are getting wages as low as $15 per month. If that is the case, the Department of Labour ought to look into the matter before payment of this $60,000 is made. As I say, the lumbermen are getting the benefit of the reduction of $120,000 and they should certainly be in a position to pay the men more than $15 or $16 per month.

Mr. BENNETT: And their board.

Mr. VENIOT: I should like the Minister of Labour or the Prime Minister to look into the matter, in the interest of labour, before the dominion's share is paid over.

Mr. GORDON: We must be a little reasonable in regard to the rates that obtain in connection with relief. The hon. member probably forgets that there is a great difference between the rates of wages paid labour in connection with relief work and those that obtain in the ordinary course of business. The difference is obvious to everyone. So far as these works are concerned, where it is a matter of relief the control is very largely in the provinces, the municipalities and those concerned with caring for people in distress. With respect to federal works, in the ordinary course the rates of wages for labour are governed by the rules, practices and law that obtain in establishing, through the Department of Labour, such rates as men are entitled to.

Mr. VENIOT: This is not in the form of relief. It is relief in one sense, to the lumbermen, but not relief to the unemployed: If the lumbermen are going to get a bonus of this kind to encourage them to go on with operations which they otherwise would not carry on, it cannot be called relief to the unemployed. It seems to me that the Department of Labour ought to be in a position to ensure that a reasonable rate of wages will be paid before the dominion's share of $60,000 is paid. I can readily understand that in these times of distress one would not expect, in connection with relief work, that such rates of wages would be paid as were paid prior to 1930 or even 1931. But surely when the government are assisting the industry through a bonus they should see that at least reasonable wages are paid, and not starvation wages of $15 a month.

Mr. BENNETT: Fifteen dollars and board.

Mr. VENIOT: Yes, but in 1929 men were being paid $45 and $60 and board.

Mr. BENNETT: The hon. gentleman is in error with respect to the bonus. All that happens is that the province has abandoned the claim to stumpage, which amounts to $120,000, and the dominion government has assisted the province, as against the loss of the whole, by paying them half of it. The hon. gentleman knows how it has been carried on.

Mr. VENIOT: I did not mean to give it any other interpretation. The province of New Brunswick said to the lumbermen, "We will give you a reduction in stumpage provided we can get a return from the dominion of a certain loss." That was done, and the dominion entered into this agreement with the province—I believe it is the only province in the dominion with which such an agreement was entered into. I am not criticizing the government for having entered into that agreement, and perhaps I am using the wrong term when I speak of a bonus; but I do say that where federal money is furnished in a matter of this kind we should see to it that reasonable wages are paid.

Mr. GORDON: I must confess that I could not hear all that the hon. gentleman said, but the tenor of his remarks was that reasonable wages were not paid. Let me make myself abundantly clear, if I can. In all contracts that have been let in connection with this legislation, the wages were determined by the Department of Labour in the usual course. There were some works, some places of employment where people could not be established on the rate of wages that usually obtains in the Department of Public Works. With respect to that we had to do and did do the best we could in the way of trying to take care of people who were needy and in distress. Surely the hon. gentleman recognizes that. But in no case has the Department of Labour adopted an attitude that is calculated to imperil the rights of the wage earners as regards his standard of wages or standard of living. We must draw a line of demarcation between standard of wages, standard of living and relief.

Mr VENIOT: In the establishment of a system of relief as contributed to by the federal government, there was made with the provinces an agreement under section 14 of which the government stipulates that the province must do so and so. It states:

A maximum work day of eight hours shall prevail on works and undertakings carried on under this agreement, unless a modification of

this requirement is previously agreed to by the Minister of Labour.

On that point I am in agreement. It would be very difficult to establish an eight-hour day in a lumber camp if the work is to be properly carried on. Therefore I am not referring to that; I am reading the section merely to come to the next point. It continues:

Fair and reasonable rates of wages shall be paid by the province and municipalities but such rates shall not be in excess of the rates required to be paid by the federal government for the character or class of work in the district.

And so forth. The reply may be made to me that this is work carried on, not by the province, but by virtue of an agreement entered into between the dominion and the provincial governments that they will become responsible for so much loss owing to the reduction in stumpage rates and therefore it can reasonably be called one of those undertakings or enterprises in which a reasonable rate of wages shall prevail. What is the use of having an agreement such as there is under section 14 if the lumbermen are permitted to pay as low as $12 a month? A little while ago I said $15 and I can prove the statement that such low rates have been paid. On the other hand, what do we find under this very section? We find lumbermen instead of hiring, contracting with men at a very low rate of pay, a rate at which they cannot make a living in the cutting of pulpwood, and saying to these men in their agreement: In that district we have a camp opened and you shall board at it; we shall board you and charge you seventy-five cents a day for your board. The men in accepting a contract of that kind, have not been given the privilege of boarding themselves. Therefore, at the rate of $1.50 which they receive per cord of pulpwood, which they have to haul and pile, making their own roads, no lumberjack can handle more than two cords a day and, indeed, he is a good man who can do that. He pays 75 cents for his own board; he has to pay the board of his horses and then at the end of the month there is nothing left for his family. It is for those reasons that I offer this, not in a critical mood; I wish the government or the Department of Labour, if in future they are making any such agreements as this with a province, no matter what province it may be, they will see that the labour men or lumberjacks receive a fair day's rate of wages.

I wish to direct attention to another section on page 63 of the report, where I see under the amount authorized for the county of Gloucester:

Little Shippigan—proposed wharf (estimated cost $30,000)—amount authorized, $15,000.

[Mr. Veniot.]

Perhaps the Minister of Public Works can give me the information I seek. Why has this work not been carried on? Heaven knows, unemployment in that section of the country is very acute. Among the recommendations I made in response to the request of the Department of Labour was one that this work at Little Shippigan be carried out. In 1930 I think $30,000 was estimated for that work. Tenders were called for and received, the lowest tender being $26,000. When the present government came into power in that year, they withdrew from the expenditure of that money; they did not award a contract. I took the matter up in the house in 1931 and the minister promised consideration. I was pleased when in November last I saw published in the St. John Telegraph-Journal among a list of projects for the province of New Brunswick, that the Little Shippigan proposed wharf at an estimated cost of $30,000 was one of the projects agreed to or ratified by order in council. I see nothing has been done. If there is in New Brunswick a place where unemployment is severe, it is in that section of Little Shippigan. The people there are not farmers; they farm very little; they are fishermen and last year fishing was a failure both in quantity of fish and in price obtained. There has been real hardship in that section of the county of Gloucester ever since the close of the fishing season. I should like to know why, after this work had been approved by order in council, it was not carried on. I do not think the reason was that I had recommended it; I have more faith than that in the Minister of Public Works or even in the Minister of Labour.

Mr. GORDON: I do not wish to interrupt the hon. member, but surely no complaint can be made so far as this government is concerned. This work has been approved, and if it has not been proceeded with, why criticize this government?

Mr. VENIOT: Why not go on with it?

Mr. GORDON: The work has been approved. We are ready to pay the money for it.

Mr. VENIOT: What is the good of the approval to the men who are out of employment unless the work is being carried on?

Mr. STEWART (Leeds): When it was decided to embark upon a program of works for the relief of unemployment the engineers of the Public Works department were asked to go over the list of works which they had under consideration and make up as complete a schedule as they thought they could carry

out. My hon. friend will notice that the total expenditure for this wharf was estimated at $30,000, while the amount authorized was only $15,000. After the order in council was passed, the engineers went over the schedule of works which had been approved and were instructed to undertake only such works as, considering the season of the year and the time available, and having regard to works best suited for the relief of unemployment, they could hope to complete by the first of March. Making a study of the situation it was found that this particular work was one which could not be completed by that time, and therefore it was not undertaken. The appropriation was not sufficient in any event to complete the work, and it was thought inadvisable to undertake the work and leave it half finished.

Mr. VENIOT: The explanation given by the minister is not as reasonable a one as I expected from him. I have found him in my dealings with him very reasonable, but when it comes to giving an explanation for avoiding an expenditure he is not as clear as I would like him to be. If I understood him aright he said that the engineers were asked to go over a schedule of projects and recommend only those which they felt they could complete before the first of March, and secondly that the appropriation was not sufficient to complete this work. I do not wish to introduce the element of politics, but I am afraid that I shall have to do it.

Let me say to the minister that this particular work was approved during the by-election in Gloucester county, and it was heralded all over the county. When I attempted to say that I had recommended the work to the minister and that I was glad the minister had accepted my recommendation, I was pounded by the other side as hard as a man could be pounded on the ground that I was trying to take too much credit to myself. I do not wish to imply that the approval of this work was made public for any effect it might have in that by-election, but the fact is that the knowledge that it had been approved came out just at that time. Let me go further and say to the minister that other projects were approved and contracts let without the full amount of the cost of the work having been voted. That has been the practice all through, and it is a proper one. Sufficient money is voted to permit of the minister entering into a contract, and then, when the tenders are in, the amount is known and the minister can provide the further amount required in a supplementary estimate. All that he would have to do would be to get another order in council passed. A contract could have been let for this work in the month of November last, and the work could have been gone on with and relief given to these people. The work of providing the lumber and gathering the stone for the ballast for the wharf could have been gone on with during November, December, January and February. The work of construction in that secluded and protected area within Miscou harbour could have been gone on with in the winter time and could have been constructed, as has often been done in the shallow waters, on the ice, sinking their cages with ballast. In that way the work could have continued right along.

Mr. GORDON: By day labour?

Mr. VENIOT: No, by contract. The government is carrying on a lot of public works to-day under contract for the relief of unemployment. I would not suggest that a work of this amount, $30,000, be carried on by day labour. The government is perfectly justified in calling for tenders, providing the wage-earner is protected under the contract, which matter is looked after by the Department of Labour. If that work had been carried on the municipality of Gloucester to-day would have been relieved of the demand which is being made for direct aid in that district. The county of Gloucester has sent in an estimate for direct aid amounting to $110,000. That will give hon. gentlemen some idea of the distress in that county. A great many of the people in Gloucester county are fishermen; in fact, I think I am safe in saying that one-half of the population depends upon the fishing industry. All along that coast where this wharf was to be built, there is no farming. There is a shifting, sandy soil, and the people do very little farming, but they fish. As I said before, the fishing season was a failure both as to quantity and price, and I now appeal to the government to take the necessary steps to proceed with this work as soon as it is possible to do so.

Mr. BENNETT: We cannot until the statute passes.

Mr. VENIOT: Oh, yes. The hon. gentleman could have done it by awarding the contract at the time that approval was given to the project, and if the contract had been let the work could have been carried on beyond the first of March because under the agreement the time can be extended by order in council to the first of May. Even Bill No. 58 is being extended by order in council. It may be quite true that the work is held up now, but between now and the time when the bill passes

is not very long, and I would appeal to the government that in the interests of these people they award a contract as soon as possible to help relieve unemployment this spring. May I go further and say it will help to relieve unemployment not only this spring but during May, June and July. These people cannot go into the fishing business as they did in the past because they have no market. They have been shut out from their largest market, which was Italy. Italy is taking tariff reprisals against Canada for raising the tariff against Italian goods, and has put on a tariff on the very kind of fish which our fishermen catch for their livelihood, which makes importation into Italy prohibitive, and our market is completely lost. Therefore these people for months yet to come will be without any employment, and it is for this reason that I am urging the government to consider this proposition. Hon. members will recall that on February 23 I drew the attention of the government, and especially that of the Minister of Labour, to two projects, numbers 12 and 13 at page 12 of the report of the Dominion Director of Unemployment Relief. I refer to the transmission line from Fredericton to Oromocto at a cost to the dominion of $28,700, and the transmission line for Restigouche and Gloucester counties at a cost to the dominion of $27,522.50. I want it to be distinctly understood that I am not opposing the construction of the extension of a hydro system in any part of the province of New Brunswick. I should like to know, however, if it is the government's intention to adopt the practice of bonusing—that is what it means—the construction of hydro lines bringing in a revenue and a profit. If that construction is for the relief of the unemployed it should be under the control of the provincial government, because they receive the full benefit from the construction of those two lines once they are in operation. They would receive a revenue sufficient to pay the interest on the bonds, to pay for sinking fund and replacement value, and the whole is assessed against the district at the rate of 12½ per cent of the cost and divided up at so much per kilowatt hour and so much for monthly service. For some time I was chairman of the hydro cvommission and I know how it operates. Under my administration when the hydro was first established in New Brunswick the system I have described was adopted. The hydro development being a revenue earning and profit earning enterprise the Dominion government would do well to let the provincial government carry on the development and take the money that has been given to the province to help relieve the unemployed in other sections of the province.

While I am on the subject I should like to inform the Minister of Labour that they are now stringing poles in the county of Restigouche from Dalhousie to Jacquet River. While I have no personal knowledge of what I am about to state, I learn from reliable sources that the persons engaged in the work are far from being entitled to work under unemployment relief measures. I ask the minister to look into the matter, because from the names submitted to me I know the men employed have no right to the employment. The work should be given to men who need it, not to men who do not need it. I hope the minister will make inquiries and that the Department of Public Works or the hydro commission of the province of New Brunswick will not report that no federal unemployment relief money is being used, as has been reported concerning some cases I have submitted to this house.

Mr. CHEVRIER: The resolution now before us is rather scarred. In its original form the resolution read as follows:

> Resolved that it is expedient to introduce a bill to amend chapter 58 of the statutes of Canada, 1931, striking out the word "March" in section 8, and substituting the word "May" therefor, and on the proposed motion of Mr. Weir (Melfort): "That this question be now put."

That was the resolution as it stood yesterday afternoon. The amendment by the Minister of Justice (Mr. Guthrie) is to extend until May 1, 1932, the operation of the Unemployment and Farm Relief Act of 1931 which expired on March 1, 1932. Now, Mr. Chairman, I ask this question: By what process of law can this extension be made? Notwithstanding the wonderful legal attainments —and they are well known—of the Prime Minister and the Minister of Justice how, may I ask, can we extend until May 1, 1932, the operation of the Unemployment and Farm Relief Act of 1931, which expired on March 1, 1932? It is not a question of asking leave to introduce a new statute or to revive an old one, but to extend the operation of a statute which, on the admission of the government itself, is dead and has expired. I challenge the Minister of Justice, who at one stage of this debate said he would be heard, but who has kept a most religious silence, to pledge his standing as an eminent jurist at the bar, and say that there is some process of law whereby the operation of an expired statute can be extended.

Mr. GUTHRIE: Yes; this parliament can extend a statute any time it wishes. In that

respect parliament is clothed with every power.

Mr. CHEVRIER: That may be so, if we desire so to stultify ourselves.

Mr. GUTHRIE: That is the only question.

Mr. CHEVRIER: I do not wish to be a party to that stultification.

Mr. GUTHRIE: Very well, that is your answer.

Mr. CHEVRIER: This government is omnipotent; the Prime Minister has stated that he has a comfortable working majority and that he cares not—n-o-t or n-o-u-g-h-t, whichever word you choose to use—for the rights of minorities. Therefore, with an accommodating majority at his back willing to pass the proposed legislation, of course it will be passed. However, they will have to take that step on their own responsibility.

An hon. MEMBER: We will.

Mr. CHEVRIER: The responsibility will be on their own shoulders, if they wish to place themselves in that awkward position. In their eyes might is right. If they wish to extend the operation of the statute, they are welcome to do so, but it is their responsibility.

Mr. SHORT: Why worry about it?

Mr. CHEVRIER: I wish the hon. member would tell us what is worrying him.

Mr. SHORT: Nothing.

Mr. CHEVRIER: Well then, why does he not keep quiet? What has surprised me throughout this debate is that hon. gentlemen sitting on the other side have kept wonderfully and religiously silent; from the one hundred and twenty of them we have heard nothing; but the moment we put a finger on a sore spot they jump up like so many marionettes, as was said this afternoon. But up to the present not one of them has dared to say where he stands on this question.

An hon. MEMBER: You got it on the vote, didn't you?

Mr. CHEVRIER: If they have so much to say, why in mercy don't they stand up and make a speech?

An hon. MEMBER: You make one.

Mr. CHEVRIER: If the hon. gentleman who is so prone to make these interruptions would speak for twenty minutes only once during the session I would listen to him and say he might interrupt as often as he liked for the remainder of the session. But he is satisfied merely to grunt, to make these disturbing noises now and then. The Minister of Justice (Mr. Guthrie) says we may extend the operation of a dead statute, but I do not want to be associated with this strange fashion of legislating. I do not know if any of his colleagues, if for instance my hon. friend the Minister of National Revenue (Mr. Ryckman) who is also a member of some standing at the bar, is prepared to subscribe to the idea that we may legally extend the operation of a dead statute. On the opposite side there are many men of eminent legal attainments, and I am quite sure that one of the reasons why they have not endorsed the view of the Minister of Justice is that they have some respect for their standing at the bar. When the Prime Minister introduced this motion he said he wished to extend the operation of the act. Quite properly he stated even last year that he had some hesitation as to the constitutionality of this procedure. I quote from page 4279 of Hansard of last session:

> I will say frankly to the house that in asking what euphemistically is spoken of as a "blank cheque" we are not unmindful that we are asking very considerable from this House of Commons.

I pay the right hon. gentleman this tribute to his legal acumen, that he knew he was skating on thin ice, but was willing to take a chance. This session I find that at page 335 of Hansard he said:

> I would not ask this power from any parliament except very reluctantly.

Again I pay him the tribute that he had some hesitation because of his legal attainments and felt that he was on very thin ice. The Prime Minister smiles. I do not wonder at his smiling when he realizes the position he has placed himself and those who follow him. If it were not for the fact that he has such a very accommodating majority behind him he would not dare take such a position. I am confident that before the Privy Council he would never venture to propound such an unsound theory. The Prime Minister brought this motion down for the purpose of amending the statute, but as we hammered away at it he finally found himself on the road to Damascus—and the light started to shine. In the course of the last few days he said—I am quoting from page 1407 of Hansard:

> The government is determined it would renew the statute.

The Prime Minister did not say the government were going to amend the statute, but that they were going to renew it. No

one in this house knows better than the right hon. gentleman that there is an absolute difference between renewing and amending a statute. At page 1409 he again used the word "renew." He also said:

I desire that this statute be revived.

Not that its operation be extended, but that it be revived. He knows there is an absolute difference between reviving and amending a statute. At page 1410 he said:

Shall the Canadian parliament through a government supported by a majority in this house—

And a very accommodating majority.

—be permitted to reenact by proper words the legislation of last session?

Not to amend, not to extend the operation, but to reenact, to do something absolutely new, to start de novo. Now watch how the Prime Minister is coming down very reluctantly, but he is finally driven to this point. At page 1418 he said:

The use of the appropriate words to enable the principle of the legislation to be made effective.

I submit, Mr. Chairman, that the right hon. gentleman, even with all his legal attainments, took some time to find out that his magic was dead, that there was no process under British law whereby a dead statute could be amended, but instead of coming out frankly he has hedged all along. Now he asks that the operation of this expired statute be extended until the first of May, 1932.

There are many other reasons why I would have opposed the passing of this motion, but I think that one of the soundest reasons is to take the stand that you cannot extend by any recognized legal means—although you may do it by a majority of this kind—the operation of a dead statute.

Mr. MACKENZIE KING: As we know, under this bill power will be given to the governor in council to pass orders in council up to the first of May. May I ask: will any such orders in council have any effect after the first of May, or will their operation cease entirely on that day?

Mr. BENNETT: Except for the purpose of enabling payment of balances unpaid on contracts not completed; they would cease to be valid on the first of May.

Mr. MACKENZIE KING: The Prime Minister refers to orders in council that may relate to money payments. There may be orders in council relating to other matters. I assume such orders in council will have no force and effect after the first of May?

[Mr. Chevrier.]

Mr. BENNETT: The right hon. gentleman is quite correct. It is proposed in the bill that orders in council shall forthwith be laid on the table of the house.

Mr. MACKENZIE KING: I understand that. With regard to payments between now and the first of May is it the intention of the government to initiate new contracts or to make fresh commitments which will run beyond the first of May, or will everything be confined to the first of May?

Mr. BENNETT: That is a question, Mr. Speaker, which at the moment I cannot answer. For instance, a few days ago a delegation from the city of Quebec waited upon the government, and my right hon. friend's colleagues who were present suggested that there should be an extension of time in connection with work which was to be done in that city, which climatic conditions had made it impossible to complete during the winter. The hon. member for Gloucester urged that since spring was coming on, and unemployment was so serious, the matter should be so dealt with. I could not say definitely that pressure of conditions such as those existing in Quebec, for instance, might not have some effect. I was quite convinced, I may say frankly, by the statement of the mayor of Quebec city that they were unable to complete that work, and might not be able to complete it by May 1. They asked for an extension of time, the matter being already reduced to a contract for which authorization was given in the report tabled in this house. I cannot answer that question beyond saying that the necessities of the particular case would have to govern.

Mr. MACKENZIE KING: My right hon. friend refers to a contract, the terms and extent of which are already known. My question refers to something which at the moment is not known. Between now and May 1 will the administration make any new contracts which will run beyond May 1?

Mr. BENNETT: Obviously I could not say yes or no to that question, but it has been provided that if any affirmative action is taken the order in council will be laid on the table of the house forthwith, which will be at the next sitting. I know of no such cases at the moment, beyond those which are already extant and which have been asked to be continued. Beyond that I know of no new cases, although there may be some of which I have no personal knowledge.

Mr. MOTHERWELL: I should like to ask the Prime Minister a question which has already been asked once or twice on the orders of the day. Does the relief commission at Regina take seed grain liens on all crops resultant from seed grain advances, and if so when are they payable?

Mr. BENNETT: The question of the character of the security taken by the commission is something between the commission and the provincial authorities, and the dominion has nothing whatever to do with it beyond the fact that we are given to understand, and do understand in advancing the money, that the commission is adequately protecting itself with respect to the crops. I cannot say whether a lien is taken on one or two crops, but my understanding is that the lien has to do with the first year's crop, and in some instances with the second year's crop, but the money is loaned to the province of Saskatchewan, which province is responsible for the arrangements made between the relief commission and the farmers with respect to the collection of the sums so advanced.

Mr. MOTHERWELL: My understanding is that this government has already agreed to the use of the relief commission as a collection agency for this government. If there is an understanding of that nature I think the government should be aware of what kind of security is being taken from the farmers.

Mr. BENNETT: The relief commission is a provincial body set up by the provincial government, and as such it is subject to provincial control. They made the arrangement with themselves. All we did was to supervise, so far as we could, the proper expenditure of the money in the manner indicated in this house. The form of security they may take, in order that they may be able to repay to the dominion the moneys advanced, is not our business.

Mr. MOTHERWELL: I do not see why we cannot get this information now; we have asked for it several times.

Mr. BENNETT: I shall be glad to give the hon. gentleman any information I have.

Mr. MOTHERWELL: In the application for relief made by a farmer in Saskatchewan, the farmer faithfully promises to pay to the Saskatchewan Relief Commission, on behalf of His Majesty the King in the right of the Dominion government, on or before such and such a date, all advances made to him by way of relief or seed grain, at the value and prices stated by the commission. I take it that the obligation is assumed by the commission to collect for the seed grain as well as for the relief on behalf of the government of Canada, and with all due respect to my right hon. friend I do feel that someone in the government should be able to give this information. I think the Minister of Agriculture was asked the question, but he was not in a position to answer it very definitely. Before going further I think we should have this question answered I have before me a bill which recently passed the Saskatchewan legislature incorporating the Saskatchewan Relief Commission, and the way in which our farmers are being hog-tied in connection with these seed grain and feed advances is simply terrible. I do not think we should go further without complete information in this regard.

Mr. BENNETT: I will answer the hon. gentleman, and I hope he hears me. First, the province of Saskatchewan is making the arrangements, through its relief commission, with the individual farmers with respect to seed grain; second, the seed grain is being provided by the Dominion government; third, the province is undertaking to repay to the Dominion government the money expended in the purchase of seed grain; fourth, my understanding—and I am not advised fully—is that the legislature of Saskatchewan is taking such steps as are regarded as essential for the purpose of enabling it to secure repayment of the advances so made.

Mr. MOTHERWELL: Then are we to understand that this government accepts no responsibility at all for the terms imposed upon the farmers by the Saskatchewan government or the relief commission?

Mr. BENNETT: No.

Mr. MOTHERWELL: I suppose in Regina they will say the same thing, that they have no responsibility either.

Mr. BENNETT: No.

Mr. MOTHERWELL: I submit that there is an individual as well as a joint responsibility resting on both governments in regard to the terms upon which these farmers get this seed grain.

Mr. MACKENZIE KING: There are a number of questions we should like to ask in connection with this resolution, but I understand that when the bill is in committee ample opportunity will be given for discussion.

Mr. BENNETT: Quite so, and I think it will expedite matters when the committee has the bill before it. The only reason I have

remained until this hour is because some safeguards have been suggested to me, but I believe it will be much clearer when the house is in committee. Then we will be able to answer any questions that may be brought forward.

Resolution as amended reported, read the second time and concurred in. Mr. Bennett thereupon moved for leave to introduce Bill No. 24, respecting unemployment and farm relief.

Motion agreed to and bill read the first time.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. Bennett moved the adjournment of the house.

Mr. MACKENZIE KING: What will be the business this afternoon?

Mr. BENNETT: We will continue with this bill. If we finish it we will take the motion with regard to supply which is now pending.

Motion agreed to and the house adjourned at 4.20 a.m. (Wednesday).

Wednesday, March 30, 1932

The house met at three o'clock.

PRIVATE BILLS

FIRST READINGS

Bill No. 37, to incorporate the Fort Smith-Fitzgerald Railway Company.—Mr. Irvine.

Bill No. 38, to incorporate the Ontario-Quebec Canal and Power Company.—Mr. McGillis.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

SIZE OF CANADIAN BANK NOTES

Mr. BOULANGER:

1. Is it a fact that the government intends to reduce the size of state-notes?

2. Will the Canadian banks also reduce the size of their bank-notes?

3. Will the reduction in size of the state-notes and the Canadian bank-notes necessitate the making of new designs, new lithographic plates, new dies and new stereotype plates to print the new reduced notes?

4. Will the proposed reduction in size of state-notes necessitate letting out new contracts for the engraving and printing?

5. Will the government take advantage of this opportunity to have the new state-notes of Canada issued in the two official languages of this country?

Mr. RHODES:

1. The question of reducing the size of Canadian bank notes has been under consideration for some years, having in fact been initiated by the previous administration. As yet no decision has been arrived at. If and when a decision is reached, the house will be advised in due course.

2. No information.

3, 4 and 5. Answered by No. 1.

Mr. EULER: Why not cut the nickle too?

FACTORIES CLOSED IN CANADA

Mr. CASGRAIN:

How many factories have closed down in Canada, since September 1, 1930, to date?

Mr. STEVENS:

Information not available in Dominion Bureau of Statistics.

BLACKFOOT INDIAN RESERVE—COAL MINES

Mr. GARLAND (Bow River):

1. What sums of money were spent in each of the years 1929, 1930 and 1931, in modernization and developing the coal mines on the Blackfoot Indian reserve?

2. Has there been a Dominion engineer in charge of these developments?

3. What was the total output of coal from these mines in each of these years?

4. What is the price charged for the coal at the shaft head?

5. What were the profits in operation?

6. To whom do these profits accrue?

Mr. MURPHY:

1. 1929, $56.11; 1930, $100.56; 1931, $2,193.39.

2. No.

3. 1929, 260 tons; 1930, 600 tons; 1931, 3,085 tons.

4. Lump coal, $3.25 per ton; Nut coal, $1.25 per ton.

5. No profits are estimated. Any surplus remaining after Indian miners are paid is credited to mines account, from which costs of operation and supervision must be met.

6. Answered by No. 5.

ST. ANDRE DE RESTIGOUCHE, QUE., POSTMASTERSHIP

Mr. MARCIL:

1. Has the postmaster of St. Andre de Restigouche, Quebec, been dismissed and for what reasons?
2. Has a temporary postmaster been appointed, if so, what is his name and on whose recommendation was the appointment made?
3. Has a permanent appointment been made in that office?

Mr. SAUVE:

1. No.
2 and 3. See answer to No. 1.

ST. JEAN L'EVANGELISTE, QUE., POSTMASTERSHIP

Mr. MARCIL:

1. Has the postmaster of St. Jean l'Evangeliste, county of Bonaventure, Quebec, been dismissed and for what reasons?
2. Has a temporary postmaster been appointed, if so, what is his name and on whose recommendation was the appointment made?
3. Has a permanent appointment been made in that office?

Mr. SAUVE:

1. Yes, commissioners' report found postmaster guilty of active political partisanship.
2. Yes, Georges Frenette. Recommended by Hon. Dr. E. Paquet.
3. Yes.

ST. SIMEON DE BONAVENTURE, QUE., POSTMASTERSHIP

Mr. MARCIL:

1. Has the postmaster of St. Simeon de Bonaventure, Quebec, been dismissed, if so, for what reasons?
2. Has a temporary postmaster been appointed, if so, what is his name and on whose recommendation was the appointment made?
3. Has a permanent appointment been made in that office, if so, who has been appointed?

Mr. SAUVE:

1. Yes, commissioners' report found postmaster guilty of active political partisanship.
2. Yes, Lazare Poirier. Recommended by Hon. Dr. E. Paquet and E. A. D. Morgan.
3. Yes, Lazare Poirier.

GASCONS WEST, BONAVENTURE COUNTY, QUE., POSTMASTERSHIP

Mr. MARCIL:

1. Has the postmaster of Gascons West, county of Bonaventure, Quebec, been dismissed, if so, for what reasons?
2. Has a temporary postmaster been appointed, if so, what is his name and on whose recommendation was the appointment made?
3. Has a permanent appointment been made in that office?

Mr. SAUVE:

1. Yes, commissioners' report found postmaster guilty of active political partisanship.
2. Yes, Mrs. Marguerite Huard. Recommended by Hon. Dr. E. Paquet.
3. Yes.

NEW RICHMOND, QUE., MAIL SERVICE

Mr. MARCIL:

1. Has a contract for the mail service between New Richmond, Quebec, and New Richmond Station, been awarded?
2. If so, to whom, at what price and when does it become effective?

Mr. SAUVE:

1. Yes.
2. A contract was awarded to Romeo Fournier at $295 per annum. Contract dates from 1st April, 1932.

NOTRE DAME DU LAC, QUE., POSTMASTERSHIP

Mr. POULIOT:

1. On what date was Mr. Antoine Landry dismissed as postmaster of Notre Dame du Lac, Quebec?
2. Why was he dismissed?
3. Did many persons apply for his position?
4. If so, what are their names?
5. On whose recommendation did the Postmaster General appoint the present postmaster, and why was he chosen in preference to other candidates?

Mr. SAUVE:

1. 28th October, 1931.
2. Commissioner's report found postmaster guilty of active political partisanship.
3. Five.
4. Thomas Voisine, Dominique Côté, E. H. Dumas, Omer Bouchard, and Miss Josephine Côté.
5. Temporary appointment of Thomas Voisine on recommendation of Mr. C. E. Dubé. Permanent appointment will be made by the Civil Service Commission.

LAMY SUD, QUE., POSTMASTERSHIP

Mr. POULIOT:

1. On what date was Mr. Narcisse Ouellet dismissed as postmaster of Lamy Sud, Quebec?
2. Why was he dismissed?
3. Did many persons apply for his position?
4. If so, what are their names?
5. On whose recommendation did the Postmaster General appoint the present postmaster, and why was he chosen in preference to other candidates?

Mr. SAUVE:

1. November 28, 1931.
2. Commissioners' report found postmaster guilty of active political partisanship.
3, 4 and 5. One applicant, Isidore Ouellet. Recommended by Mr. C. E. Dubé.

RAUDOT, QUE.—POSTMASTERSHIP

Mr. POULIOT:

1. On what date was Mr. Andre Beaulieu dismissed as postmaster at Raudot, Quebec?
2. Why was he dismissed?
3. Did many persons apply for his position?
4. If so, what are their names?
5. On whose recommendation did the Postmaster General appoint the present postmaster, and why was he chosen in preference to other candidates?

Mr. SAUVE:

1. October 31, 1931.

2. Commissioners' report found postmaster guilty of active political partisanship.

3, 4 and 5. One applicant; Alexandre Lebel. Recommended by Mr. C. E. Dubé.

MONTAGNE RONDE, QUE.—POSTMASTERSHIP

Mr. POULIOT:

1. Did the Postmaster General, since August, 1930, order an inquiry in connection with charges of political partisanship lodged against the postmaster at Montagne Ronde, Quebec?
2. If so: (a) at whose written request was this inquiry granted; (b) was said written request accompanied by many affidavits; (c) if so, what is the date, and the name of the person whose signature is attached to each affidavit; (d) on what date was each affidavit received by the Postmaster General; (e) on what date did the Postmaster General order the inquiry?

Mr. SAUVE:

1. Yes.

2. (a) Mr. C. E. Dubé; (b) written request was accompanied by witnessed statement dated February 23, 1931, from (c) Eugene Lepage; (d) February 26, 1931; (e) instructions sent to commissioner, March 25, 1931.

MATURING CANADIAN OBLIGATIONS—GOLD PRODUCTION

Mr. MACKENZIE (Vancouver):

1. What Canadian obligations are maturing outside of Canada in 1932?
2. How many of these (in amount) are maturing in New York?
3. Are these all payable in gold?
4. How many of these Canadian obligations are owing by: (a) the federal government; (b) the various provincial governments; (c) Canadian municipalities; (d) Canadian railways; (e) other parties?
5. How much gold is there available in Caanda at the present time for export if considered necessary?
6. What was the gold production of Canada in 1931?

Mr. RHODES:

1, 2, 3 and 4. Dominion of Canada: $55,000,000, payable in gold in New York. While certain data are obtainable from public and other sources, particulars of the debts of all other governments, corporations, etc., are not matters of Dominion government record.

5. Total gold held by banks and government, $118,500,000.

6. Estimated value, $55,715,120.

LAUZON ENGINEERING SHOPS—SALE OF MACHINERY

Mr. FORTIN:

1. Did Mr. Beer, of the Interior department, during the summer of 1931, call for tenders in connection with the sale of machinery and other articles in the shops of Lauzon Engineering at Lauzon, Quebec?
2. If so, what are the names of the tenderers?
3. What was the lowest tender?
4. To whom was the sale made?
5. Was it to the lowest tenderer, if not, why was the lowest tenderer not given the preference?

Mr. RHODES:

1. Yes (by the salvage officer, government contracts supervision committee).

2, 3 and 5. No bid was received prior to date set in call for tenders.

4. To B. S. Judson, who made written offer subsequently.

ST. ARSENE, QUE.—POSTMASTERSHIP

Mr. POULIOT:

1. On what date was Edmond Rioux, postmaster at St. Arsene, Quebec, dismissed?
2. Why was he dismissed?
3. Have many persons applied for this position?
4. If so, who are they?
5. Upon whose recommendation did the Postmaster General appoint the present postmaster, and on what grounds did he select him in preference to the other applicants?

Mr. SAUVE:

1. September 10, 1931.

2. Post office was removed to a more central site.

3. Two.

4. Mr. Edmond Rioux, the postmaster released on account of site not being central. Mr. J. B. Laforest who offered a more central site.

5. The temporary selection of Mr. Laforest was made on the recommendation of Mr. C. E. Dubé, on the grounds that Mr. Laforest offered more central site, as it was reported by the district superintendent of the department in 1927 and 1931.

CRANE ISLAND, QUE.—MAIL SERVICE

Mr. FAFARD:

1. On what date was the contract of Mr. Alphonse Normand, for carrying the mail between Crane island and the mainland, cancelled?

2. Was this contract cancelled following an inquiry?
3. Why was it cancelled?
4. Upon whose request?
5. Who carries the mail between Crane island and the mainland at the present time?
6. Were tenders called for in connection with this service?
7. If so: (a) on what date; (b) what was the name of each tenderer, and what was the amount of his tender?
8. If not, why does the department not call for tenders?

Mr. SAUVE:

1. On August, 18, 1931.
2. No.
3. In the public interest.
4. Armand Lavergne, M.P.
5. Emile Gagne.
6. No.
7. See Answer to No. 6.
8. Department considers present rate of payment reasonable in view of the conditions under which service is performed.

UNEMPLOYMENT RELIEF—EASTERN TOWNSHIPS

Mr. HOWARD:

1. Were there any moneys allotted or paid to counties in the Eastern Townships of the province of Quebec, in connection with unemployment?
2. If so, what were the amounts in each case, and to which county were they paid?

Mr. GORDON:

1. Yes.
2. Return attached hereto:

Moneys allotted and paid to counties in the Eastern Townships of the province of Quebec to relieve unemployment under the Unemployment Relief Act, 1930.

Counties	Total amount allotted for Public Works	Dominion proportion	Dominion payments to date for Public Works	Dominion payments to date for Direct Relief
	$	$	$ cts.	$ cts.
Arthabaska	68,300	17,445	14,612 39	12,476 56
Brome	23,200	5,800	5,556 62	150 00
Compton	58,000	19,800	19,153 56	15,405 49
Drummondville	33,300	8,325	7,189 99	402 35
Megantic	131,000	46,795	46,771 87	4,237 73
Missisquois	40,500	10,125	10,124 98	1,033 34
Richmond	69,000	20,155	16.705 56	243 98
Shefford	78,500	19,975	18,474 99	73 74
Sherbrooke	191,000	48,150	46,701 76	483 33
Stanstead	73,500	18,675	15,065 50	1,616 45
Wolfe	36,500	19,955	12,412 26	2,286 41

Moneys allotted and paid to counties in the Eastern Townships of the province of Quebec to relieve unemployment under the Unemployment and Farm Relief Act 1931.

Counties	Total amount allotted for Public Works	Dominion proportion	Dominion payments to date for Public Works	Dominion payments to date for Direct Relief
	$	$	$ cts.	$ cts.
Arthabaska	13,000	3,250	.....	.....
Brome	3,000	750	.....	.....
Compton	62,700	25,455	.....	34 35
Drummond	58,000	16,300	.....	.....
Megantic	188,000	78,625	34,493 21	.....
Missisquois	20,000	5,000	.....	.....
Richmond	75,000	23,100	1,144 61	.....
Shefford	122,000	30,500	369 63	.....
Sherbrooke	333,000	84,500	5,230 96	.....
Stanstead	114,000	29,100	218 79	.....
Wolfe	17,500	7,000	747 07	938 37

RESIDENT ENGINEER, RIMOUSKI, QUE.

Mr. MARCIL:

1. Has Mr. P. E. Amiot, resident engineer, of Rimouski, been superannuated?
2. If so, who has been appointed to replace him, and is the appointment a permanent one?
3. Has any change been made in the district under the control of this officer?

Mr. STEWART (Leeds):

1. Yes.
2. No appointment has yet been made.
3. No.

ST. FRANCOIS D'ASSISES, QUE., POSTMASTERSHIP

Mr. MARCIL:

1. Has Cleophas Chabot, postmaster of St. Francois d'Assises, county of Bonaventure, Quebec, been dismissed?
2. If so, who has been appointed temporarily, on whose recommendation, was an investigation held, by whom and for what reasons?

Mr. SAUVE:

1. Yes.
2. Arrangements being made for appointment of Miss Marguerite Martin, recommended by Hon. Doctor Eugene Paquet. An investigation was held by Mr. Gerard Simard and the postmaster was found guilty of active political partisanship.

DETOUR DU LAC, QUE., POST OFFICE

Mr. POULIOT:

1. On what date was the post office of Detour du Lac, county of Témiscouata, Quebec, abolished?
2. At whose request?

Mr. SAUVE:

1. March 23, 1931.
2. The matter was brought to the attention of the department by Mr. C. E. Dubé. The report submitted by the district superintendent indicated that the office was serving only five families and could be closed without serious public inconvenience.

HIGHWAY NO. 6, BONAVENTURE COUNTY

Mr. MARCIL:

Who is in charge of the works of blasting, clearing, widening and grading the highway No. 6, in Bonaventure county, for which $31,250 were authorized, the provincial government paying 60 per cent and the dominion 40 per cent, the dominion's proportion being $12,500, and on whose recommendation was this appointment made, and what amount has been paid up to date?

Mr. GORDON: Under the Unemployment and Farm Relief Act, 1931, the dominion government has paid to the province for the work of blasting, clearing, widening and grading on highway No. 6, in Bonaventure county, the sum of $1,412.23, which represents 40 per cent of the total expenditure made in connection with this project to date.

As the project is being carried out by the provincial authorities, information such as "who is in charge of the works" and "on whose recommendation was this appointment made" will have to be obtained from the province.

PAYMENTS TO MR. GERARD SIMARD

Mr. MARCIL:

1. What amount has been paid to Mr. Gerard Simard, commissioner, appointed by the Post Office Department, to investigate charges of political partisanship in post offices in the county of Bonaventure?
2. How much of this amount was for travelling expenses?

Mr. SAUVE:

1. $1,567.05.
2. $502.29.

LETTER CARRIER SERVICE—NEPEAN TOWNSHIP, ONTARIO

Mr. MARCIL:

1. Does the Post Office Department intend to introduce the letter carrier service in Westboro and other parts in Nepean township?
2. Is there any reason for preventing this from being done, and what is the reason?

Mr. SAUVE:

1. Not during the coming fiscal year at least.
2. Yes. Even if conditions governing the establishment of letter carrier delivery were fully complied with, the fact that no funds are available to cover the additional expenditure involved would preclude the establishment at the present time.

LAURIER, LOTBINIERE COUNTY, QUE., POSTMASTER—SALARY

Mr. VERVILLE:

1. Was the salary of the postmaster at Laurier, county of Lotbiniere, more than $400 for the years 1930 and 1931?
2. What amounts were paid to said postmaster in salary and commissions for 1930 and 1931?

Mr. SAUVE:

1. No.
2. Year ended 31st March, 1930, $358.80; year ended 31st March, 1931, $353.95.

ST. OCTAVE DE DOSQUET—ST. AGATHE, MAIL SERVICE

Mr. VERVILLE:

1. Was the contract for the carrying of mail between St. Octave de Dosquet and Ste. Agathe, county of Lotbiniere, renewed?
2. Were tenders called for?

3. What are the names of the tenderers and amount asked by each?

4. To whom was the contract given and on what date was the tender of the successful tenderer received?

Mr. SAUVE:

1. No.

2. Yes.

3. Achille Lehoux, $395; Joseph Faucher, $435.

4. Contract awarded to Achille Lehoux. Tender received 21st December, 1931.

DESCHAILLONS, LOTBINIERE COUNTY, DREDGING INSPECTORS

Mr. VERVILLE:

1. Were Messrs. Hector St. Jean, Lucien Guertin, Paul Gervais, McDonald Bourbeau, employed by the government at Deschaillons, county of Lotbiniere, during the summer season of 1931?

2. If so, in what capacity?

3. Is it the intention of the government to hold an inquiry in connection with political partisanship shown by these persons during the last provincial elections in Quebec?

Mr. DURANLEAU:

1. Yes.

2. Dredging inspectors in connection with river St. Lawrence dredging contract.

3. No; their services terminated at the close of the dredging season in the fall of 1931.

QUESTIONS PASSED AS ORDERS FOR RETURNS

EXPORT OF GOLD

Mr. MACKENZIE (Vancouver):

1. How much gold was exported from Canada to New York since January 1, 1932, giving dates and amounts?

2. Were such amounts exported at the request of Canadian chartered banks?

3. If so, which bank made the request in each instance?

MONTREAL HARBOUR COMMISSION—M. P. FENNELL

Mr. SENN:

1. Has any pension been paid to M. P. Fennell, late general manager of Montreal harbour commission, and, if so, why?

2. What was Mr. Fennell's age at time pension was granted?

MONTREAL HARBOUR COMMISSION—COAL

Mr. SENN:

What harbour plant was used and what labour performed by the Montreal harbour commission in the handling of coal for the Ogdensburg Coal and Towing Company, and the Century Coal Company, during the period January, 1922, to June, 1926, and from October, 1926, to August, 1930, and did the harbour commission receive full tariff rates for such service?

CANADIAN NATIONAL RAILWAYS, VANCOUVER HOTEL

Mr. MacINNIS:

1. Who are the architects for the Canadian National hotel now under construction at Vancouver, British Columbia?

2. On what basis are the architects paid?

3. How much have they been paid to March 1, 1932?

4. Who are the contractors for the said hotel?

5. What is the total contract price?

6. Is the work done as a straight contract or on a cost plus basis?

7. If on a cost plus basis, what per cent is allowed?

8. How much have the contractors been paid to March 1, 1932?

9. Is the cost of furnishings and equipment included in the contract price?

10. If the answer to No. 9 is no, what is the estimated cost of furnishings and equipment?

11. What is the total amount paid on the construction of the said hotel to March 1, 1932?

12. What is the estimated amount required to complete the building?

13. What was the date on which the building of the hotel was: (a) approved; (b) contract signed?

CIVIL SERVICE—RETIREMENTS

Mr. CHEVRIER:

1. What is, from April 1, 1931, to March 15, 1932, the total number of government employees, by departments: (a) temporary; (b) permanent, who (1) have been actually retired from the said service; and (2) have not been actually retired from the service but who have received notice that from and after a given date their services will no longer be required?

2. What is the number of government employees, by departments: (a) temporary; (b) permanent, who, from the 15th March, 1932, have received notice that from and after a given date their services will no longer be required?

3. When all of the said employees shall have been actually retired, how many will be: (1) enjoying the benefits of: (a) the Superannuation Act, (b) the Retirement Act, (c) any other such act; (2) without the benefits of any superannuation measure whatever?

UNOPPOSED MOTIONS FOR PAPERS

ST. HILAIRE, ROUVILLE COUNTY, POSTMASTER—DISMISSAL

Mr. CASGRAIN (for Mr. Fontaine):

For a copy of all correspondence, reports, evidence, petitions, and other documents, in connection with the dismissal of Mr. Philibert Auclair, postmaster of St. Hilaire, county of Rouville, and the appointment of his successor.

ST. ANGELE DE MONNOIR, ROUVILLE COUNTY, POSTMASTER—DISMISSAL

Mr. CASGRAIN (for Mr. Fontaine):

For a copy of all correspondence, reports, evidence, inquiries, petitions, and other documents, in connection with the dismissal of Mr. J. Remus Boulais, postmaster of Ste. Angele de Monnoir, county of Rouville, and the appointment of his successor.

STE. ANGELE DE MONNOIR, RURAL MAIL SERVICE

Mr. CASGRAIN (for Mr. Fontaine):

For a copy of all correspondence, reports, evidence, inquiries, petitions, and other documents, in connection with the cancelling of the contract of Mr. Donat Vincelette, mail carrier on rural route No. 1, Ste. Angele de Monnoir, county of Rouville.

UNEMPLOYMENT RELIEF—DIGBY COUNTY, N.S.

Mr. ILSLEY:

For a copy of all letters, telegrams, memoranda, reports and other documents exchanged between the Department of Public Works and any person or persons regarding the expenditure of public money under the Unemployment and Farm Relief Act of 1931, on the breakwater at Port Gilbert, Digby county, Nova Scotia; also a copy of the payroll showing the amounts expended for labour; also a copy of accounts showing the prices paid for iron, logs, ballast, ballast poles, timber and planks, from whom purchased, the amount paid for a wharf site at that place, and from whom purchased.

Mr. ILSLEY:

For a copy of all letters, telegrams, memoranda, reports and other documents exchanged between the Department of Public Works and any person or persons regarding the expenditure of public money under the Unemployment and Farm Relief Act of 1931, on the breakwater at Little Brook, Digby county, Nova Scotia; also a copy of the payroll showing the amounts expended for labour; also a copy of accounts showing the prices paid for iron, logs, ballast, ballast poles, timber and planks, and from whom purchased.

BOULANGER, LAKE ST. JOHN, POSTMASTER—DISMISSAL

Mr. POULIOT:

For a copy of all correspondence, letters, telegrams, affidavits, petitions, evidence at the inquiry, and reports, in connection with the dismissal of Mr. Boulanger, as postmaster, in the parish of Sainte Jeanne d'Arc, Lake St. John, Quebec, and the appointment of his successor.

He said: I should like to make a correction in this motion, Mr. Speaker. Instead of reading "the dismissal of Mr. Boulanger" it should read "the dismissal of the postmaster of Boulanger."

Mr. SPEAKER: By consent the motion is amended accordingly.

Motion as amended agreed to.

[Mr. Casgrain.]

LOWER BURLINGTON, N.S., WHARF

Mr. ILSLEY:

For a copy of all letters, telegrams, memoranda, reports and other documents exchanged between the Department of Public Works and any person or persons regarding the expenditure of public money under the Unemployment and Farm Relief Act of 1931, on the wharf at Lower Burlington, Hants county, Nova Scotia; also a copy of the payroll showing the amounts expended for labour; also a copy of accounts showing the prices paid for iron, logs, ballast, ballast poles, timber and planks, and from whom purchased.

HANTSPORT, N.S., WHARF

Mr. ILSLEY:

For a copy of all letters, telegrams, memoranda, reports and other documents exchanged between the Department of Public Works and any person or persons regarding the expenditure of public money under the Unemployment and Farm Relief Act of 1931, on the wharf at Hantsport, Nova Scotia; also a copy of the payroll showing the amounts expended for labour, and a copy of accounts showing the prices paid for iron, logs, ballast poles, timber and planks, and from whom purchased.

CACOUNA, QUE., INDIAN AGENT

Mr. POULIOT:

For a copy of all correspondence, letters, telegrams, petitions, applications, exchanged between all persons in the county of Témiscouata, and all ministers and officials of the dominion government, in connection with the position of Indian agent at Cacouna, since August, 1930.

BEAUHARNOIS POWER PROJECT

On the orders of the day.

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): Mr. Speaker, before the orders of the day are called I should like to ask the Prime Minister a question with reference to the Beauharnois waterpower development. In view of the declaration made a year ago in this house by the Prime Minister that the bona fide subscribers to this enterprise would be protected, and that declaration having been made during the course of a debate which took place in this house last year, would the Prime Minister be in a position to give to the country to-day a statement in connection with this matter along the lines suggested by hon. members for North Waterloo (Mr. Euler) and West Edmonton (Mr. Stewart).

Right Hon. R. B. BENNETT (Prime Minister): There is also a question on the order paper dealing with the same matter. I have certain information which I will endeavour to communicate to the house before the closing on Friday. At the moment I have not all the information in my possession, but I shall endeavour to secure it and have it available before the house rises at the end of the week.

GRADING OF GARNET WHEAT

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): Mr. Speaker, I should like to ask a question of the Minister of Trade and Commerce, I have before me one of many communications which I should like to read. This is from Scott, Saskatchewan, and is as follows:—

In regard to the proposed placing of Garnet wheat in a grade by itself: A statement of the decision of those in charge of this matter should be made before seeding time. In many districts, this for one, Garnet is the best wheat and farmers are holding Garnet for seed. If Garnet is to be penalized next fall, growers should be told of it in time to change their seed.

Is the minister in a position to tell us when the department will announce a policy regarding Garnet wheat?

Hon. H. H. STEVENS (Minister of Trade and Commerce): I think my hon. friend will recall I introduced a resolution referring the matter to the committee on agriculture. I understand that committee will be called on Tuesday next, and that Mr. Ramsay, the chairman of the Board of Grain Commissioners, and others who have been making a study will attend before the agriculture committee so that the whole matter may be given careful consideration.

FACTORIES CLOSED IN CANADA

On the orders of the day:

Mr. P. F. CASGRAIN (Charlevoix-Saguenay): Mr. Speaker, I should like to direct the attention of the Minister of Trade and Commerce to an answer given to a question standing under my name which has been on the order paper for some time. My question was:

How many factories have been closed down in Canada since September 1, 1930, to date?

The answer I received was:

Information not available in Dominion Bureau of Statistics.

Mr. Speaker, I think I am entitled to draw the attention of the Minister of Trade and Commerce and the government to such an answer. Surely the government is in a position to find out how many companies have made returns under The Companies Act, or how many have filed returns for business taxes. Any hon. member should be in a position to secure such information. To my mind the answer is not satisfactory. The Department of Labour also has a statement of factories and new institutions established in Canada.

Some hon. MEMBERS: Order.

Mr. CASGRAIN: I have a right as a member of this house to draw attention to a question which has been badly answered. No answer whatever has been given. I ask the Minister of Trade and Commerce and the Prime Minister to reconsider the question which has been on the order paper for nearly a month. If it has required a month to give an answer which is not satisfactory, I wonder how long it will take to give a satisfactory answer. The government must know the number of institutions or factories which have been opened since the tariff changes were made, and we should like to know also how many have been closed down since the new tariff has been in force.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, replying to my hon. friend may I say that a great deal of care was taken in an endeavour to secure an answer to his question. It would take some time to give all the explanations which go to indicate that the answer given to-day is a fair one and based upon very sound reasons.

Mr. CASGRAIN: It is no answer at all; it is a joke.

Mr. STEVENS: I am sorry.

STAMP COMMISSION EXPENDITURES

On the orders of the day:

Mr. A. L. BEAUBIEN (Provencher): Mr. Speaker, I should like to ask the Minister of Trade and Commerce when I may expect an answer to question No. 1 which has been on the order paper for some time. The question is simple and should not entail a great deal of work.

Right Hon. R. B. BENNETT (Prime Minister): Probably I should answer the hon. member. The question has not been answered because the information is not all available. Another matter has to be considered, and that is the reason this question has not been answered.

Mr. BEAUBIEN: Could the Prime Minister give me all the information he has before the estimates are considered for that department?

Mr. BENNETT: Yes.

RESIGNATION OF POSTMASTERS

On the orders of the day:

Mr. JEAN FRANÇOIS POULIOT (Témiscouata) (Translation): As the hon. Postmaster General seems to have his smile of happy

days, may I inquire as to when he will bring down the documents which were ordered by the house at the end of February and at the beginning of this month, in connection with the resignation of a number of postmasters in the counties of Temiscouata and Lake St. John? I have waited patiently until now because the hon. Postmaster General had assured me that he would shortly bring them down, I trust that he will soon keep his word.

Hon. Mr. SAUVE (Postmaster General) (Translation): Certainly. I shall bring down these documents as soon as possible.

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—CONSIDERATION OF BILL

Right Hon. R. B. BENNETT (Prime Minister) moved the second reading of Bill No. 24, respecting unemployment and farm relief.

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, owing to the fact that we have only comparatively recently had an opportunity of obtaining a copy of Bill No. 24, hon. members might have expected that the Prime Minister would have given an explanation to the house of the provisions contained in the bill. However as he has not done so we must rely on our own analysis of the measure when we are discussing it before this house.

Mr. Speaker, this is the concrete product after about three weeks of debate offered by the administration to this assembly and to the people of the Dominion of Canada. Bill No. 24 constitutes the unemployment policy of this administration now offered to the people of the Dominion of Canada. It is but fair and proper to recall on this occasion that on February 24 last notice of a certain resolution was given by the Prime Minister. On February 26 that resolution appeared on the order paper, the purport of it being to amend chapter 58 of the statutes of Canada, 1931, by substituting the word "May" for the word "March." Although chapter 58 expired on March 1 of this year, and although no real, concrete, excuse has been given to this assembly for the failure to take appropriate action, that resolution was not submitted to this assembly for discussion until March 8, seven days after chapter 58 had expired. The debate on that resolution lasted from March 8 until its termination in the early hours of this day, which was brought about by a process of compulsion, coercion, closure and gag.

[Mr. Pouliot.]

As a result of that resolution hon. members on this side took the position that the resolution was entirely out of order, that it proposed to enact something by way of resolution, which could not be enacted by this assembly, and that it proposed to amend a dead statute. After the administration informed this assembly that the resolution would be offered, we took the position that presumably in the first instance the resolution had received the consent of His Excellency the Governor General, and that the amendment submitted by the Minister of Justice (Mr. Guthrie) last evening dealt with an entirely different principle, an entirely different matter, and dealt with it in an entirely different way.

So we have the three positions taken by this administration. In the first place we have the resolution appearing on the 26th day of February to amend chapter 58 of last session. In the second place we have the declaration of the Prime Minister in regard to what the proposals of the administration might be. Last night the Minister of Justice (Mr. Guthrie) moved in committee an amendment, not to amend a dead statute, but to extend chapter 58; and to-day we are given what presumably is the concrete result of that amendment. I find, Mr. Speaker, this third variation in the unemployment policy of the administration in the last three weeks. First, we had a resolution, that was admittedly out of order to amend a dead statute—so described, and properly described—although it occupies the valuable time of this house for some three weeks. Then last night under the compulsion of closure they forced this resolution through the house and into committee of the whole, when my hon. friend the Minister of Justice moved another resolution to extend the provisions of chapter 58. To-day we have the second reading of Bill No. 24 which does far more than extend chapter 58. It is an entirely new bill. This is not an extension of chapter 58 of last session; there are some provisions in this bill which were never in that statute. It contains all of the vicious, pernicious, contentious and iniquitous clauses—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancouver): There are not sufficient adjectives in the English language to describe the iniquity of that measure. We find that in deference to the criticism offered by hon. members on this side of the house section 2 of Bill No. 24 provides:

All orders in council and regulations made under the provisions of this act shall be laid

before the House of Commons forthwith after the making thereof, if parliament is then sitting, or if not, within the first fifteen days of the next ensuing session.

That was a grudging concession to hon. members on this side. The administration are to pass orders in council in the east block to-day, and they are gracious enough to lay them on the table of the house on the succeeding day. Under this procedure we are nothing more than a glorified information bureau after the administration has acted through order in council. But I would ask the house to listen to section 3:

The Unemployment and Farm Relief Act, 1931, and this act, shall be read and construed as one act, and this act may be cited as The Unemployment and Farm Relief Continuance Act, 1932.

I suggest that a better title for this legislation would be the Tory Government Dictatorship Perpetuation Act, 1932. The Unemployment and Farm Relief Act of 1931 is a dead thing, it is absolutely extinct, but by this peculiar bill we are trying to breathe some vitality into the bare bones of this skeleton of Tory policy. We are trying to bring about this unholy alliance, to make these two one flesh, this bill and the dead act of last year. That is the policy of the administration. What is this thing after all? It is the child of chaos out of closure—the result of Tory administration.

Had my right hon. friend heeded the admonitions of hon. gentlemen on this side of the house he could have amended the act before it expired on the first of March, that is, if he still desired to retain the clauses of that legislation. If he had paid proper attention to our admonitions, on the second of March he could have introduced another bill containing all the clauses of chapter 58, adding thereto the provisions contained in section 2 of the present bill. That would not be such a violation of the rules of procedure as is now being attempted. What is being offered the house this afternoon is the result of chaos, confusion, coercion and closure.

It is true we were silenced yesterday by the closure. But I wish to inform hon. gentlemen opposite that we will fight out this issue on the public platform. Hon. gentlemen opposite in all their mishandling of the unemployment situation have been sliding down the slithery slope of political expediency; whereas we on this side with our minority—not a dictatorship minority, because one of the fundamental principles of a British parliament is not only the rule of the majority but also the protection of the minority—we on this side of the house stand on the firm bedrock of principle. They are sliding down the slithery slope like those Gadarene swine in the old book, with their progress accelerated by the sow policy of the hon. Minister of Agriculture (Mr. Weir). While they are animated only by the principle of expediency, we on this side—though our numbers are small, it is true—have right on our side; and right at all times is better than expediency. Until the last word is uttered in this debate we stand firm and solid on the bedrock of principle, and from that position we will not recede.

In regard to what he termed the "dictatorship of the minority," my right hon. friend quoted certain sentences from what is admitted to be one of the greatest authorities upon the procedure of the British House of Commons, Redlich. He did not quote the entire substance of some of the finest passages in that book. For instance at page 49, volume 1, Redlich says:

The principle of the protection of the minority is a fundamental basis of parliamentary government.

At page 193, volume 3, he says:

The feeling of the universal benefit conferred, as a rule by strenuous and powerful opposition is one which centuries of experience have worked into the very flesh and blood of the English nation.

And again:

Over and over again it has been seen that the energetic resistance of a minority has roused the entire country to take part in political life—hasty measures have been checked and proposals for large alterations in the law have been modified.

That is a complete reply to my right hon. friend's representations with respect to the alleged dictation of a minority. The right hon. gentleman also adduced two other examples in justification of this policy of "blank cheque" expenditure: old age pensions and the bridge over the St. Lawrence. But I think my hon. friend from Shelburne-Yarmouth (Mr. Ralston) completely and conclusively confuted his arguments in this regard.

Then I look through the pages of Canadian history to occasions when we were accused of obstruction by my right hon. friend. Looking over some of the exploits of my right hon. friend and of my hon. friend the Minister of Justice and of other members of the Tory party, during their parliamentary career, if obstruction be an offence I call upon one hon. gentleman opposite who is without fault to cast the first stone to-day. I refer the house to the uniform franchise bill introduced by the great Conservative chieftain, Sir John A. Macdonald, in 1885. The Liberal party fought it tooth

and nail, night and day, and as a result of their opposition certain important amendments were embodied in the legislation, which it is generally conceded to-day were for the good of the Canadian people. In 1896 the Manitoba school question was under consideration in the dying days of a moribund parliament. The Liberal party asked that it be referred to the people. They won out and were justified by the electorate. In 1908 an election measure was submitted to parliament by the Liberal party of that day. It was obstructed by the Conservatives; a compromise was offered by the Liberals and accepted by their opponents. In 1911 the reciprocity resolutions were introduced in this house. The first resolution was introduced on January 26, and up to July 28 not a single preliminary vote had been taken in regard to any one resolution. Then we had the obstruction in 1913 with regard to the naval aid bill. That obstruction was caused by the Liberal party, and I am sure my friend the Minister of Justice (Mr. Guthrie) will bear me out when I say that if any course ever has been justified and vindicated by the verdict of history, it is the course taken by the Liberal party in regard to the Canadian naval policy in 1913.

The other day the right hon. Prime Minister spoke about conferences. He said that last year he saw some of the premiers of the provinces, and that after the termination of this session he was going to call a conference of the premiers of the nine provinces of Canada. That was not his policy in 1930, when he condemned those on this side of the house who advocated two immediate conferences, one with the premiers or treasurers of the provinces to consider the financial aspects of the question, and the other a larger conference to deal with this unemployment situation in a national way.

My right hon. friend has said that the policy of this government has worked well. Has he read the evidence given in Victoria the other day by an employee of this government? I refer to Mr. McGeough, who works directly under Mr. Hereford, an officer of this government. In the press report of his sworn testimony given before an investigating committee of the provincial legislature, appears the following:

> That at camps 1, 2, 3 and 4, Deroche, on October 17, Mr. McGeough found 104 names on the provincial government pay-roll as carpenters at $4 a day, although only four men were working as carpenters, and the camps were virtually completed.

An hon. MEMBER: That has been disproved.

[Mr. I. Mackenzie.]

Mr. MACKENZIE (Vancouver): My hon. friend has no right to say that, because the committee has not finished its work or made any report. So in the province of British Columbia at least we have had gross mismanagement of public funds, and that alone absolutely justifies the demand we made in 1930, and which we renewed in 1931, for a complete supervision by the Auditor General of Canada over all funds expended in the relief of unemployment. I very well recall the words of the Prime Minister during the special session of 1930, when he said, "This administration accepts full responsibility for all expenditures."

I must hurry along. Here we have what is now a national problem, and what was spoken of by the Prime Minister in 1930 at Montreal, at Calgary, and in fact all over Canada as a national problem. What is happening to-day? After eighteen months of the application of Tory principles to the solution of the unemployment problem; after the expenditure of $150,000,000 of the money of the taxpayers, instead of the 117,000 unemployed which were admitted by the right hon. gentleman in September, 1930, to-day we have 550,000 unemployed according to the figures given by the president of the Trades and Labour Congress of Canada. That is the result of our experience during the last two years, and through that expenditure of public money what has happened? To-day the provinces are almost bankrupt, and in the west the municipalities are in a very serious situation, largely because of the strain put upon them by the misguided and mistaken policies of this administration. Here it is March 30 and this measure is only to be in force for another month at best. This measure will die on May 1, just as the last measure died on March 1, and nothing has been said by this administration as to what will be their unemployment policy after May 1. So I say, Mr. Speaker, in the first place, that this legislation which they bring forward this afternoon accentuates and intensifies all the miseries and evils of last year, and that it violates every rule and usage of this parliament. In the second place, it offers no concrete remedy for the unemployment situation which exists to-day in this country.

We took the position in 1931 that we objected to any blanket authority being given this executive, and in particular we objected to the power not only to control expenditure but to amend legislation passed by this parliament by means of secret and sinister orders in council. What right has this administration to-day to pass an order in council

increasing the armed forces of Canada, without reference to the supreme parliamentary authority in the country? That is one example. Then there is the question of the export of gold, and we heard a good deal about the necessity for an order in council to deal with that question. My hon. friend from North Waterloo (Mr. Euler) asked whether that action could not have been taken under the provisions of the Finance Act, and the answer was "Oh, yes, but that might involve a proclamation; it might involve the consideration of war or insurrection, either actual or apprehended." I tell my right hon. friend that if he looks through the record of the Liberal party he will find that in 1929 action was taken in regard to the gold standard. That action was not taken by order in council under any relief measure, nor was it taken by means of any proclamation under the Finance Act. It was done by arrangement between the Minister of Finance of the day and the financial institutions of Canada. So I believe that finally and effectually destroys the argument that the greatest necessity for these powers was to permit the government to deal with the export of gold from this country, because that could have been dealt with in another way, not involving the relief measure at all.

Then we had an order in council having to do with 2,000,000 railway ties not to exceed sixty-five cents each in cost. This money was voted by this parliament under the relief act, but we are not told how it was spent; we are refused the information, and we cannot even find out who were the contractors. I ask my hon. friend, in all fairness, whether it can be said that we have any control at all over expenditures when that condition of affairs exists. Surely my hon. friend is morally bound to give us all possible information with regard to the purchase of ties or anything else under the Unemployment Relief Act.

Mr. MANION: I have already stated to my hon. friend and to the house that we made no contract for ties. We passed an order in council granting a certain amount of money to the Canadian National Railways, and that company has entered into contracts for the purchase of ties; they have set the prices and done everything else, just as these things have been done in past years. I have not refused to give any information that was in the hands of the government.

Mr. MACKENZIE (Vancouver): If that is the policy of the administration I suggest to my hon. friend that it is not a policy which should receive the support of this house. Parliament should have absolute control over and full knowledge of every cent of money spent under the provisions of this act. That is a principle, surely, which has been embodied in our constitution for centuries.

There is one other point to which I should like to refer. In speaking on the resolution a few days ago the Prime Minister held up an example from the old country; he referred to chapter 48 of the statutes of Great Britain, passed on September 30, 1931. He would have this parliament believe that we had there an absolute precedent to guide us in regard to this legislation. But what was the situation there? They gave the executive power for a period of one month after the first day of October, 1931; they gave the executive power to pass certain orders in council, but only for thirty days. What was the situation in England at that time? A national government had just been formed. The Right Hon. Ramsay MacDonald had announced his decision to appeal to the electorate and he went to the people five or six or seven days after this very bill was passed conferring certain powers upon the government. And those powers were not for expenditures but for the purpose of effecting economies in the administration of Great Britain—England and Scotland. I suggest to my right hon. friend, therefore, that there is no parallel between the case in England which he cited and the case in Canada as indicated by him. The Right Hon. Ramsay MacDonald went to the country and sought a "doctor's" mandate, and I suggest to my right hon. friend that if he is going to violate all the accepted canons, ethics and usages of Canadian parliamentary practice and push this legislation down our throats by means of closure and compulsion, then he should go to the country and seek a dictatorship mandate from the people with respect to this legislation.

I am opposed to every single clause in this legislation. We are ready now, as we always have been, to assist the administration in voting all the moneys they desire in order to meet the situation, but I do not think that hon. gentlemen opposite have the right to ask us to abandon our cherished principles touching the accepted doctrines of parliamentary usage and control. They have no right to force their theories down our throats in this free parliament of Canada. If this type of legislation is going to be introduced year after year, becoming accentuated as time goes on, we might as well close the doors of parliament, take that mace off the table and throw it

into the Rideau canal, and disperse and go home. Since this session began I have met people in various parts of the country and I venture to say to hon. gentlemen opposite that the Canadian people will endorse the stand we have taken.

Some hon. MEMBERS: No.

Mr. MACKENZIE (Vancouver): Well, if hon. gentlemen opposite do not agree with that statement will they put it to the test? Will they submit to the acid test to-morrow? Will they seek the opinion of the people on their bungling of the unemployment situation in this country? They will not, because they know that if they did they would be swept out of power on the crest of a tide of popular indignation which would spread sheer terror into the ranks of a bruised and battered Toryism.

We have fought this iniquitous measure on principle. It is true that we have been silenced by the gag, and this is probably the last opportunity left us to express our considered convictions with respect to this question. There is no one on the other side of the house who is more anxious than we are on this side to do all that can be done fairly, honestly and squarely to relieve the distress of the unemployed from shore to shore. But there are two things that we cannot do at once; all we are asking hon. gentlemen opposite to do is to sacrifice a little of their stubborn pride, whereas they are trying to compel us to sacrifice all of our cherished principles, and that we refuse to do.

In order, therefore, to place on record the concerted convictions of His Majesty's loyal opposition with regard to this measure now before the house, I beg to move, Mr. Speaker, seconded by my hon. friend from Shelburne-Yarmouth (Mr. Ralston), the following amendment:

That this bill be not now read a second time but that it be resolved:

1. That this house has been from the commencement of the session and continues to be ready and willing to consider and vote without delay any money or grant, submitted and asked for by the government for relieving distress and providing employment throughout Canada.

2. That this house cannot surrender the rights of the people of Canada, through their representatives in parliament, to maintain direct control over matters of taxation and expenditure, nor vest in the governor in council or in any other body absolute and despotic powers under the guise of dealing with peace, order and good government, particularly while parliament is in session.

And by these principles, sir, we stand.

[Mr. I. Mackenzie.]

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

YEAS

Messrs:

Ahearn,	King, Mackenzie,
Blair,	Lacroix,
Bothwell,	Lapointe,
Bouchard,	Lucas,
Boulanger,	Luchkovich,
Bradette,	MacInnis,
Brasset,	MacLean,
Brown,	McKenzie
Butcher,	(Assiniboia),
Cardin,	McMillan
Cayley,	(Huron South),
Denis,	Mercier (Laurier-
Deslauriers,	Outremont),
Desrochers,	Mercier (St. Henri),
Donnelly,	Mitchell,
Dubuc,	Moore (Ontario),
Dumaine,	Motherwell,
Dupuis,	Munn,
Euler,	Neill,
Fafard,	Parent,
Fiset, Sir Eugène,	Perras,
Fournier,	Power,
Fraser (Northumber-	Ralston,
land, O.),	Raymond,
Gardiner,	Reid,
Garland (Bow River),	Rhéaume,
Girouard,	Roberge,
Goulet,	Rutherford,
Hall,	Sanderson,
Hanson (Skeena),	Speakman,
Heaps,	Spencer,
Heenan,	Totzke,
Hepburn,	Veniot,
Howard,	Verville.—64.

NAYS

Messrs:

Anderson (Toronto-	Fraser (Cariboo),
High Park),	Gagnon,
Arthurs,	Ganong,
Barber,	Garland (Carleton),
Baribeau,	Geary,
Barrette,	Gobeil,
Beaubier,	Gordon,
Belec,	Gott,
Bell (Hamilton West),	Guthrie,
Bell (St. Antoine),	Hackett,
Bennett,	Hanson
Black (Halifax),	(York-Sunbury)
Bowen,	Hay,
Boyes,	Johnstone,
Burns,	Jones,
Bury,	Kennedy
Campbell,	(Peace River),
Cantley,	Laflèche,
Carmichael,	Larue,
Casselman,	Laurin,
Charters,	Loucks,
Cowan (Long Lake),	Macdougall,
Dickie,	MacLaren,
Dorion,	MacNicol,
Duguay,	McDade,
Duranleau,	McGibbon,
Embury,	McGillis,
Esling,	McGregor,
Fortin,	McLure,

Manion,
Matthews,
Moore (Chateauguay-Huntingdon),
Morand,
Myers,
Nicholson,
Peck,
Perley (Qu'Appelle),
Pettit,
Pickel,
Plunkett,
Price,
Quinn,
Rhodes,
Robinson,
Rogers,
Ross,
Rowe,
Senn,
Shaver,
Short,
Simpson (Simcoe North),
Smith (Victoria-Carleton),
Smoke,
Spankie,
Spence,
Spotton,
Sproule,
Stanley,
Stevens,
Stewart (Leeds),
Stewart (Lethbridge),
Stinson,
Stirling,
Sullivan,
Sutherland,
Swanston,
Tétrault,
Thompson (Simcoe East),
Thompson (Lanark),
Weese,
Weir (Melfort),
White (Mount Royal),
Willis,
Wright.—100.

PAIRS

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

Messrs:

Anderson (Halton), Factor,
Arsenault, Thauvette,
Baker, Bertrand,
Bell (St. John-Albert), Dubois,
Beynon, Coote,
Bourgeois, Fontaine,
Bowman, Boucher,
Cahan, Rinfret,
Chaplin, Malcolm,
Cotnam, Hanbury,
Cormier, Hurtubise,
Cowan (Port Arthur), Ilsley,
Dupré, Ferland,
Edwards, Elliott,
Harris, Jacobs,
Kennedy (Winnipeg), McIntosh,
Lawson, Gray,
Lennox, Pouliot,
MacDonald (Cape Breton), Urquhart,
Macdonald (Kings), Irvine,
MacMillan (Saskatoon), Mackenzie (Vancouver),
Maloney, Young,
Mullins, Howden,
Murphy, Stewart (Edmonton),
Perley, Sir George, Marcil,
Porteous, Macphail (Miss),
Ryckman, Chevrier,
Ryerson, Taylor,
Sauvé, Séguin,
Simpson (Algoma), Casgrain,
Smith (Cumberland), Duff,
Stitt (Nelson), Beaubien,
Stitt (Selkirk), Weir (Macdonald),
Tummon, St-Père,
Turnbull, McPhee,
White (London), Gershaw,
Wilson, Vallance.

Mr. STEWART (Edmonton): I was paired with the hon. member for Neepawa (Mr. Murphy). Had I voted I would have voted for the amendment.

Mr. MACKENZIE (Vancouver): I was paired with the hon. member for Saskatoon (Mr. MacMillan). Had I voted I would have voted for the amendment.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted I would have voted for the amendment.

Mr. ILSLEY: I was paired with the hon. member for Port Arthur (Mr. Cowan). Had I voted I would have voted for the amendment.

Mr. FERLAND: I was paired with the hon. member for Quebec West (Mr. Dupré) Had I voted I would have voted for the amendment.

Mr. COOTE: I was paired with the hon. member for Moose Jaw (Mr. Beynon). Had I voted I would have voted for the amendment.

Mr. IRVINE: I was paired with the hon. member for Kings (Mr. Macdonald). Had I voted I would have voted for the amendment.

Mr. MARCIL: I was paired with the hon. member for Argenteuil (Sir George Perley). Had I voted I would have voted for the amendment.

Mr. BEAUBIEN: I was paired with the hon. member for Nelson (Mr. Stitt). Had I voted I would have voted for the amendment.

Mr. RYERSON: I was paired with the hon. member for Norfolk-Elgin (Mr. Taylor). Had I voted I would have voted against the amendment.

Mr. EDWARDS: I was paired with the hon. member for West Middlesex (Mr. Elliott). Had I voted I would have voted against the amendment.

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted I would have voted against the amendment.

Mr. HARRIS: I was paired with the hon. member for Cartier (Mr. Jacobs). Had I voted I would have voted against the amendment.

Mr. SMITH (Cumberland): I was paired with the hon. member for Antigonish-Guysborough (Mr. Duff). Had I voted I would have voted against the amendment.

Mr. SAUVE: I was paired with the hon. member for L'Assomption-Montcalm (Mr. Séguin). Had I voted I would have voted against the amendment.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, Mr. Justice White decided in Sherbrooke in 1930 in the case of Edney vs. Fitzpatrick that there cannot be a valid contract of pledge unless the object pledged is in the actual possession of the creditor or of a third party appointed to act for the said creditor.

In order to obtain information for the government, Mr. Harry Hereford wrote to me under date of August 7, 1931, asking for full particulars with regard to the undertakings in my constituency for the relief of unemployment. This letter was forwarded eleven days before order in council P.C. 2043 was passed, which order in council indicates the conditions under which relief would be granted. I answered Mr. Hereford on August 13, and my letter was acknowledged by the then Minister of Labour (Senator Robertson) on August 19. I informed Mr. Hereford that I was communicating with each municipality in my constituency in order to obtain the required information in connection with unemployment relief. On September 1, Mr. Hereford forwarded a copy of the order in council which had been passed on August 18. After receiving the information from the different municipalities I forwarded this to Mr. Hereford. He did not reply direct, but I received the following letter from the then Minister of Labour, dated September 3:

Dear Sir,—

It has accidentally come to my attention that this department has received from you personally eleven letters and one telegram, all within the last two days, with reference to unemployment works proposed in your riding.

I note that each refers to matters that are within provincial jurisdiction, and it has been made amply clear to every federal member, through declarations in parliament, that the federal government must deal with such matters through provincial authority, and communications from any persons, municipalities or members of parliament, with reference to works in which the province must be consulted, should come to us through the province instead of direct, as they must necessarily in each case be referred to the province for its information and endorsement.

When I was first communicated with by Mr. Hereford I got in touch with the municipalities in order to obtain the best available information on the matter. I forwarded this information to him but the only answer I received was from someone else. I answered the Minister of Labour under date of September 14, 1931, as follows:

Hon. G. D. Robertson,
Minister of Labour,
Ottawa, Ont.

Dear Sir,—

I have the honour to acknowledge receipt of your favour of September 3rd, in which you complain that the department has received from me personally eleven letters and one telegram, within the last two days, with reference to unemployment works proposed in my riding.

First of all I have forwarded to every municipal council in this constituency a copy of Mr. Hereford's letter of August 7th, in order to take the inventory of the needs of my constituency with regard to unemployment. I have sent each answer to the director of unemployment.

Mr. Hereford's letter of August 7th was sent eleven days before P.C. 2043, dated August 18th, was passed. Therefore, when Mr. Hereford sent his letter to me, there were no regulations relating to unemployment fund this year. It is only on September 1st that, acting under your instructions, he sent me a copy of P.C. 2043.

In the meantime, the municipal councils of this constituency had sent me their requests for assistance, which I have found my duty to communicate to you.

I have written to Mr. Hereford to ask you to send back to me the requests from ten municipalities which are mentioned in the second page of a letter dated September 11th.

I took the trouble to take that inventory in order to show my good-will towards the unemployed and I resent very much the fact that Mr. Hereford wrote me on September 8th: "Aucun bon but ne semble avoir été atteint de cette action de votre part."—No good result has been attained from what you have done in that connection.

I have done that work to the best of my ability and without knowing what regulations had been passed by the council. Now that that inventory has been taken, it will serve the same purpose, because I will communicate all the answers which I have received to my colleagues of the Quebec legislature; but if I had received the regulations sooner, it would have spared me that trouble.

I received the following letter from Mr. Hereford under date of September 8, 1931:

(Translation) I am in receipt of your letter dated September 3, and in answer I wish to inform you that, as requested in your telegram, I recently forwarded to your address forty copies of the order in council, P.C. 2043, embodying the regulations governing the enforcement of the Unemployment and Farm Relief Act.

No agreement has yet been made between the dominion government and the Quebec provincial government in connection with unemployment relief, although it is understood one will soon be made. No doubt, when the agreement is concluded, the terms will be published, I shall then forward you a copy.

I note that you have distributed copies of my letter of August 7 to all the municipalities, and since the latter seemed to have recommended municipal works instead of enterprises of a federal nature, no useful purpose seems to have been served by this action on your part, and as previously explained to you, municipal undertakings must first be agreed upon with the provincial authorities.

Respectfully yours,

This gentleman stated that there was then no agreement between the federal and provincial governments, so how was I to know the jurisdiction of the respective governments? I replied under date of September 11, as follows:

(Translation)

Dear Sir,—

I am in receipt of your two letters dated September 4 and 8, and I wish to thank you for having forwarded me forty copies of P.C. 2043. I requested the warden of the county to distribute a copy of this order in council to each of the mayors who were at the last meeting of the county council.

In your last letter dated September 8, you wrote that no good purpose seemed to have been served by my forwarding copies of your letter of August 7 to all the municipalities of my county, seeing that the latter recommended municipal instead of dominion works.

My first duty on receiving your letter dated August 7, was to communicate the contents to the proper athorities, namely the municipal councils of each parish, so as to have them prepare a list of the works to be carried out in each locality in order to relieve unemployment. Had I acted otherwise, they would have probably blamed me.

Since you inform me that the works which were recommended are of a municipal nature, would you be so kind as to return to me, at your earliest convenience, the requests which I forwarded to you for each of the following municipalities in the county of Témiscouata:

1. Town of Cabano.
2. Notre Dame de l'Isle-Verte.
3. Rivière-Bleue.
4. Rivière-Trois-Pistoles.
5. St. Benoit Abbé de Packington.
6. St. Clement.
7. St. Eloi.
8. Ste. Françoise.
9. St. Hubert.
10. Ste. Rose du Dégelé.

May I draw your attention to the fact that the parish of Notre Dame du Portage request repairs to their wharf which is in a dangerous condition. May I further state that I am most desirous to help the unemployed and that I intend to take all the means at my disposal to attain this end.

I regret very much that this list was not made sooner.

As soon as you have returned to me the requests which I forwarded to you, I shall be pleased to send them to my colleagues, the two members for the county of Témiscouata, at the Quebec legislature.

In closing my letter, allow me to express my regrets for the trouble you may have been put to, however, I hasten to add that the work which was done and which might have fallen upon other shoulders is far from being useless, because pursuant to the correspondence which I exchanged with the municipal authorities of my county, I found out what were the most effective means of relieving this crisis.

I trust that the government will first take up, themselves, the study of the underlying causes of the present crisis, so as to remedy it as soon as possible and in a definite way.

Respectfully yours,

Mr. Hereford on September 17, 1931, replied as follows:

Ottawa, September 17, 1931.

Mr. Jean-François Pouliot, M.P.,
Rivière-du-Loup, P.Q.

Dear sir,

I am in receipt of your letter dated September 11, in which you ask me to return to you at my earliest convenience the requests that you forwarded to me for each of the municipalities of the county of Témiscouata:

1. Village of Cabano.
2. Notre Dame de l'Ile Verte.
3. Rivière-Bleue.
4. Rivière-Trois-Pistoles.
5. St. Benoit Abbé de Packington.
6. St. Clement.
7. St. Eloi.
8. Ste. Françoise.
9. St. Hubert.
10. Ste. Rose du Dégelé.

Conforming to your request I am returning these letters, however, I have filed a copy, so that I may refer them to the Minister of Labour when the question of unemployment relief is discussed with the provincial authorities. I note that you are aware that requests dealing with municipal works, must first be submitted to the provincial authorities.

Respectfully yours,

Harry Hereford,
Dominion Director.

It has been said by some members on the other side of the house that there has been no cooperation between the provincial government in Quebec and the federal government with regard to unemployment relief. I have here the report for 1930 of the dominion director of unemployment relief, dated March 16, 1931, together with a supplement to the official gazette of the province of Quebec, containing the statute 21 George V, chapter 2, which was passed by the Quebec legislature in 1930 for the relief of unemployment. A similar statute was passed by the provincial legislature in December last. I have also the report of the dominion director of unemployment relief dated March 1, 1932, together with a supplement to the official gazette of the province of Quebec dated December 5, 1931, containing the statute 22 George V, chapter 7, which gives approval by the province to the arrangement made by the provincial and federal government delegates. On September 10, 1930, at pages 64 and 65 of Hansard, the Prime Minister said:

It is not proposed that this dominion government should in any sense deal with these problems directly. These are primarily problems of provinces and municipalities, and apart from national undertakings.

Some hon. Members: Oh, oh.

Mr. Bennett: There never was any question as to that.

The total cost of public works initiated to relieve unemployment in 1930 was $68,730,647, of which the dominion contributed only $14,303,603, and there was a balance unallotted of $5,696,397. So while the provinces and municipalities were spending over $68,000,000 to relieve unemployment, the amount disbursed by the federal government was only a little over $14,000,000, instead of the $20,000,000 appropriated by parliament.

The last report which we have from the dominion director of unemployment relief, dated March 1, 1932—and note, Mr. Speaker, that this is addressed to the Minister of Labour (Mr. Gordon), not to the clerk of the council—says:

Sir, the undersigned has the honour to report as follows concerning the administration of the Unemployment and Farm Relief Act, 1931.

Then he goes on to report as to the amount of money spent for unemployment relief, but I repeat, he reports to the minister in charge of the Department of Labour, and not to the clerk of the council.

I was a little surprised, Mr. Speaker, when I heard some of my friends on the other side of the house complaining of the alleged bad relations that exist between the federal authorities and the provincial authorities in Quebec. But the other day I heard the Prime Minister himself state that the representatives from the province of Quebec had met the Minister of Labour and had come to an agreement with him with regard to unemployment relief. I think that that is the best answer to the futile complaints that have been made by my hon. friends opposite as to the supposed lack of cooperation by the provincial authorities in Quebec.

There are other matters on which I wish to touch briefly. First of all, as to the relief works that were asked to be constructed in my constituency. There was a request made by the municipality of Notre Dame du Portage for repairs to a public wharf there which is under the jurisdiction of the federal Department of Public Works. A resolution urging the undertaking of these repairs was passed by the municipal council and was forwarded to Mr. Hereford, the dominion director of unemployment relief, and I received an answer from him under date of September 17, 1931, in which he states that he has received my letter and the copy of the resolution passed by the municipal council. He then goes on to say:

(Translation):

You inquire what the department intends to do in this respect, in answer, I wish to state that I understand the work projected as well as others suggested by members of parliament, are, at present, receiving the close attention of the Minister of Labour and his engineers.

Kindly accept my sincere regards,

(Signed) Harry Hereford,
Dominion Director.

The Department of Public Works was giving such serious consideration to this matter, Mr. Speaker, that no amount was put in the estimates for this work either last year or this, and the work has never been done. It has been said that when the people were asking for bread the government gave them a stone. So far as my constituency is concerned, may I say that when the people asked for bread the government gave them cement. What works have been undertaken in Témiscouata county for the relief of unemployment since the special session of 1930? There was the construction of a wharf, sewer works, sidewalks, and pillars for a bridge. The cost of the whole was only $21,000, but the quantity of cement purchased was 8,166 bags, costing $5,112.90. I wonder if that is because the exclusive agent of the cement companies in Riviere du Loup is the perpetual Tory candidate in that county. That is going on to such an extent that perhaps the government may have to build a citadel at Riviere du Loup, with all its wasted scenic beauty. A resolution was passed by the school board in my home town of Riviere du Loup asking for an expenditure of relief moneys to build schools. I received the following answer from the then Minister of Labour:

Ottawa, August 31, 1931.

Dear Mr. Pouliot,—

Attention has been drawn to recommendations sought in Mr. Harry Hereford's circular letter to all members of parliament, dated August 7, indicating that you were going to the trouble of communicating with all local school boards in your constituency.

May I call attention to the fact that this would seem to be unnecessary trouble on your part, as Mr. Hereford's circular referred only to federal public works on which you, as sitting member of parliament, should express your views.

Then follows a lecture from the then minister, who was such a great man.

Local school buildings are, of course, within the jurisdiction of the province, and are regarded as not coming within the federal jurisdiction, and, therefore, if the government's invitation to members is being regarded as affecting purely provincial matters, may I correct that impression, as the federal government has no desire, and, indeed, intends to refrain from any interference with provincial or municipal affairs.

We asked an amount between $100,000 and $125,000. Needless to say the people would have had to pay their share.

In the last report of the dominion director of unemployment relief I find at page 44, schedule No. N-212, the following item:

Provincial works; Winnipeg, Greater—construction of new unit of Manitoba university and waterline.

The total expenditure for that work was $700,000. The percentages shared by the province and the dominion respectively were 75 and 25, making the cash expenditure by the dominion the sum of $175,000. If that expenditure was good for Winnipeg why would it not be good for Riviere du Loup? If it was bad for Riviere du Loup why was it good for Winnipeg?

I am sorry the Prime Minister is not in his seat, because I have a quotation I should like him to hear. Nothing could be worse, Mr. Speaker, than to exploit the miseries of the people in order to gain political advantage. That was done at a village called Tobin or Riviere Trois Pistoles. During the last provincial campaign a gentleman said to the electors who were unemployed, "Vote Tory; the greater Tory majority you return the more help you will receive from the unemployment fund in Ottawa." I took the liberty of writing the following letter, dated September 15, 1931, to the Prime Minister:

Rt. Hon. R. B. Bennett,
Prime Minister,
Ottawa, Ont.

Dear Mr. Bennett,—

A man named E. W. Morissette, who is employed by the Brown Corporation at Rivière Trois Pistoles (Tobin), has boasted that between the 17th and the 24th of August ultimo, he had received a wire from yourself to the effect that you were very much interested in the establishment of a manufacture of artificial leather at Rivière Trois Pistoles, to relieve unemployment, and that you wanted him to meet you in Montreal in that connection.

As he took your name in vain, would you have any objection to tell me when you have left for Calgary and when you came back?

With thanks,
Sincerely yours,
Jean-François Pouliot.

Contrary to the customary good will shown by the Prime Minister, I received no reply to this letter. I should like to quote another letter dated at Ottawa May 8, 1931, from the then Minister of Labour:

Dear Mr. Pouliot,—

Your letter of May 6, is received, advising that you are informed that no farmers have been allowed to work under the unemployment scheme.

I can definitely assure you that your information is in general quite incorrect, because a very large proportion of the expenditures that have been made is the result of road grading work, gravelling, et cetera, in which farmers only have participated, and the Director of Unemployment Relief has received numerous complaints that many farmers in comfortable circumstances—

Rich farmers.

—who were not in need, have enjoyed a large share of the benefits of these unemployment relief works.

I cannot say as to the municipality of Notre Dame du Lac, which you mention, but generally speaking I know the above to be true.

Yours very truly,
(Sgd.) G. D. Robertson,
Minister of Labour.

Apparently the then minister thought the farmers were rich and did not need assistance. Some Conservative members have complained that in the province of Quebec Conservatives were not given a chance to work. In my constituency that condition certainly does not obtain. On all relief works Conservatives were treated as well as Liberals. May I point out that the Liberals have not introduced politics into the matter of relief, but Conservatives have. The government has appointed two men, one in Montreal and one in Quebec, to prevent Liberals from obtaining work when they were in poor circumstances and needed help.

Le Soleil of March 22 contains an interview by Lieutenant Colonel J. L. Boulanger, provincial Deputy Minister of Roads, which is as follows:

(Translation):

We have been able to obtain, thanks to an excellent organization and the good will of the workers, a return of 100 per cent on this work—

Work on the highways.

—and we have employed, without making any distinction, Liberals and Conservatives. The very best feelings prevailed among the groups of labourers, and we cooperated with the Director of unemployment and his assistants.

He adds:

As in the case of labour, materials were equally supplied by Liberal and Conservative contractors.

I had to complain about relief works, because no Liberals were allowed to work on repairs to wharves until I communicated with the Minister of Public Works. After I told him, he was fair enough to give instructions to the effect that relief must be given to people belonging to any political party.

I made a suggestion to the Minister of National Defence (Mr. Sutherland). I wrote him to tell him that in the armoury at Riviere du Loup there was some clothing which could be given to the unemployed. I said there was

no war and that the clothes which had been there for several years and otherwise would be eaten by the moths could be used by those who needed them. His answer was "No." I relate that incident because I believe it is well to remind him of it. I do not wish to speak further, but should like to quote from Montesquieu, the great French philosopher, who wrote about the organization of the state. The following are his words:

> In a free state, every man who is supposed a free agent ought to be concerned in his own government; therefore the legislative should reside in the whole body of the people or their representatives. The political liberty of the subject is a tranquillity of mind, arising from the opinion each person has of his safety. In order to have this liberty, it is requisite the government be so constituted that one man need not be afraid of another. When the power of making laws and the power of executing them are united in the same person, or in the same body of magistrates, there can be no liberty, because apprehensions may arise, lest the same monarch or Senate should enact tyrannical laws, to execute them in a tyrannical manner.

A great British parliamentarian, Charles James Fox, on one occasion uttered these memorable words:

> We are compelled to own that the democratic form of government gives a power of which no other form is capable. Why? Because it incorporates every man with the state. Because it arouses everything that belongs to the soul, as well as to the body of man. Because it makes every individual feel that he is fighting for himself; that it is his own cause, his own safety, his own dignity, on the face of the earth, that he is asserting.

Then may I quote Byron:

> Freedom's battle, once begun,
> Bequeath'd by bleeding sire to son,
> Tho' baffled oft, is ever won.

In my part of the country, Mr. Speaker, we do not complain of the fact that the federal director of unemployment wrote us for information with respect to the best way of helping the unemployed; but we do complain that no notice was taken of the representations which we made to him. Why should he object that we sent to him requests for works that came under provincial jurisdiction when at the time no order in council had been passed designating the relative jurisdiction in the matter of the federal and provincial authorities? I am confident that every member of this house took the same course—gave the director of unemployment relief all available information in reply to his request. My grievance is that in my constituency certain selfish people were too ready to keep all they possibly could for themselves without giving any consideration whatever to their needy brothers. May I tell the right hon. Prime Minister and the members of his government that I am convinced they are well-disposed towards our people who are suffering at the present time, and I cannot believe they are so hard-hearted as to shut their eyes to the misery of the unemployed. Therefore I would advise them to take the right means to help those people. We on this side of the house do not pretend to be infallible, neither do we think our friends opposite never make mistakes, but I believe we are all animated by good will towards the unemployed, and we are here at great personal sacrifice to do our best to relieve their sufferings as far as possible. That is why we offer our very hearty cooperation to the government, and in discussing matters affecting unemployment we do so not to obstruct, but to keep the government well posted on matters of such vital importance to the country generally.

Hon. CHARLES MARCIL (Bonaventure): On behalf of my constituents Mr. Speaker, I desire to call the attention of the Minister of Labour (Mr. Gordon) to the fact that this present bill will not meet their requirements. Last week I had the pleasure of presenting to him a petition from my people to extend relief until the first of June, or, if possible, the first of July. I hope he will give this request his favourable consideration.

On August 7, 1931, in common with other members of the house, I received a letter from the dominion director of unemployment relief asking for information as to steps necessary to give employment to the largest number of people in my constituency. I had copies of the letter made and sent to about thirty municipalities in my riding, and I got the local authorities to cooperate and recommend what works should be undertaken. Those recommendations were transmitted to the minister, but that is the last I heard of them until some months ago, when I found that an agreement had been arrived at between the federal and the provincial government to assume their respective shares of the cost of certain unemployment relief works. These works are divided into three classes in my constituency. First, we have the ordinary federal public works, but no new undertakings of this class have been started. Secondly, we have provincial public works, part of the cost of which is contributed by the dominion treasury. The third class covers municipal works in which the farmers of my riding are more directly concerned, the cost of which is borne by the dominion, the province and the municipality in certain proportions. The disadvantages of

this latter class of works is that they do not provide sufficient employment. After the elections in 1930 the people expected that the new administration would bring about such an improved state of affairs that there would be no unemployment, that work would be found for everyone, and that the prosperity that had existed so long under the Laurier regime, and again under the Mackenzie King regime, would prevail once more.

Of course, the measures taken now cannot be considered a solution of the problem of unemployment. The people of my riding are disappointed that the promises made to them in 1930 have not been fulfilled, and the closing up of saw mills and other local industries has brought about a condition in my constituency more serious than anything I can remember. I have had the honour of sitting in this house through many sessions—this is my thirty-fifth—and I am sorry to say that I have never seen Canada passing through such an ordeal of depression as now prevails. In the campaign of 1878, when the Mackenzie government was turned out of office because of hard times, the depression was a drop in the bucket compared with the present condition. In 1894 and 1895 we had a similar condition; then Laurier came into office. Now, after twenty or twenty-five years, we seem to agree that the policy inaugurated by Laurier and Fielding was sound. The chief reason for our difficulties at the present time, our financial condition, our railway catastrophe and our unemployment situation, is lack of markets. We have no markets for our products, and that condition has been brought about by increases in the tariff which have closed our markets to the products of other countries and shut our goods out of other markets. Tariffs are barriers to the free intercourse of nations; they must be lowered if we are to have good will between the nations of the world and if prosperity is to return.

When I was elected in 1911 we did not dream we would soon be at war with Germany, but I was here for the special session in August, 1914, and I was proud to pledge the support of my people in that crisis. We had no choice then; we were not asked whether or not we wanted to go to war. War had been declared, and the money for the first, second and third contingents was voted without a dissenting voice. But when the rules of the game were changed and conscription was imposed upon the people, we asked that the question be referred to the people. That request was refused. That was the second time closure was resorted to in this house, but now it has become quite a common practice. Probably as our business increases and the time at our disposal decreases, closure will be invoked more often.

I say frankly, Mr. Speaker, that in connection with a question so vitally affecting the people as that of unemployment, it is too bad that an understanding could not have been arrived at between the two political parties. The leader of the opposition declared many times in the name of the party to which I have the honour to belong that we were prepared to give the government all possible assistance if they would follow parliamentary practice. The Prime Minister and the Minister of Finance, who are old parliamentarians, know that this is far removed from ordinary parliamentary procedure; it is something to which we are not accustomed. Though we may have faith in the honesty of the government and may feel sure that this money will be expended in the public interest, there is no limit to the expenditure. The St. Lawrence waterway or anything else might be constructed under this measure. Back in 1837 this same question of taxation without representation came to a head. The governor of that day was surrounded by a council and did not consult the assembly; he simply imposed taxes and spent the money as he saw fit. The people objected; the cry of "no taxation without representation" was kept up for several years, and finally all that we asked was conceded. All we ask now is that the foundation of parliamentary institutions be observed and that the control of public expenditures by the representatives of the people be continued. That is the parliamentary procedure, and it should be followed. Unfortunately it has not been followed; the majority rules, the majority have resorted to closure, and we have had to submit. But let me again call the attention of the government to the fact that they are mistaken if they imagine that by such means as this the difficulty in Canada can be remedied. It will be remedied only when a wiser policy prevails and when we realize that we cannot do business with other nations unless they do business with us. If we break down those barriers and maintain a tariff merely for the purposes of revenue we will be doing something really worth while.

In the old days, Mr. Speaker, the idea of federal taxation was that it should be indirect collected through customs and excise and so on, but circumstances have changed and the

case has been altered. Now we have a new state of affairs. We are to have a conference, and for the sake of the country I hope that conference may be successful. When the delegates of the British government come here and ask if we will admit from Great Britain cottons, woollen goods, iron and steel and coal, what will be our position? One of the planks of the platform of the Conservative party is protection for cotton and woollen mills, the iron and steel industry and so on. We can get nothing from Great Britain unless we give something in return; we must give a quid pro quo. We will be compelled by the force of circumstances to follow that idea, and then I hope a new light will dawn on the Prime Minister and the Minister of Finance. They may realize then that when England imposed a tariff, that tariff amounted to only ten per cent. The high tariff we have in this country is of no advantage either to the government or to the country; the higher the tariff the smaller the revenue. Our trade has fallen off by about $500,000,000 or $600,000,000 in the last two or three years, something we did not dream could happen in such a short time. We are losing from $500,000 to $1,000,000 a week on our railways; people are unemployed, and we are in a serious condition. As I said before, it is too bad that both political parties could not have agreed to the appointment of a national committee to deal with the situation. There are times in the history of nations, as well as in the history of individuals, when we must get away from parties, and I hope the government will consult the men at the heads of the provincial governments so that before this session closes we may show that we are willing to cooperate and do our share of what must be done.

Let me conclude by again directing the attention of the Minister of Labour to the geographical location of the county of Bonaventure, where the long winter and late spring have made it impossible to carry on the work proposed. No relief has been given there; few of the works have been even started, so if the government persist in handing out money this way they will have to extend this measure far beyond May 1. There is a mayoralty campaign proceeding in the city of Montreal at the present time, and every night speeches are being made by the candidates and their friends. It is being freely predicted that next winter will be the worst in the history of Montreal, with no relief given, with the work on the new station stopped and no new work being commenced. The condition in which we find ourselves is very bad, and I sympathize with the Prime Minister in his predicament. I hope he will see the wisdom of dropping party lines at a time like this and working with all hon. members of this house in the interests of the whole people.

Motion agreed to on division, bill read the second time and the house went into committee thereon, Mr. Gott in the chair.

On section 1—Validity of act and proceedings thereunder notwithstanding date of expiration.

Mr. HOWARD: The Minister of Labour is not in his place, but no doubt other ministers will answer two or three questions I have to ask. At page 28 of the report giving a résumé of unemployment relief I find that the city of Sherbrooke was allotted a certain amount of money, and the proportions paid from the federal treasury and out of different moneys are given. At page 65 there is an item, at the bottom of the page, of money spent in Sherbrooke and taken out of unemployment money, but through the Public Works department. Why is this separation made? For what reason has money been spent through the Public Works department and also directly from the unemployment relief fund?

Mr. BENNETT: There were made out of the fund direct appropriations which were expended under the control of the Public Works department as public works. Then there were municipal works which were arranged between the province and the municipalities, to which the dominion contributed the proportions that are mentioned in the schedules. The division was arrived at in this way. In Nova Scotia, for instance, where there had been a storm that had swept over a considerable section of the coast, repairs had to be made to wharves, and matters of that kind. In the province of Quebec, as the hon. gentleman will recall, communications were sent to the members, and I am bound to say that if the suggestions had all been given effect to it would have been rather difficult to conduct government at all. But in a broad and general way Mr. Hereford tabulated them and then the department undertook the construction of the works in question, similar to those that are mentioned here, some of which could be completed by February 29, although others could not. The Department of the Interior had, for example, a grant with respect to national parks, and under

railways and canals there were matters to which reference has been made this afternoon. The dividing line was arbitrarily fixed in one way but not in another; that is to say, such works as it has been the custom of the Public Works department or the Railway department or the Department of the Interior to undertake were undertaken by these departments in connection with unemployment relief, the object being to employ as many people as possible while work was being carried forward.

Mr. HOWARD: The Prime Minister has not exactly got what I am driving at. The money was allotted and the proportions were fixed to be contributed by the city of Sherbrooke, by the federal government and by the provincial authorities, and that money went through the channels of the provincial government; this government did not have it. It went through the provincial government, who approved of the works, and the city of Sherbrooke contributed its share and did the work. At the bottom of page 65 there are indicated certain works done directly from here. I am not going to discuss these items except where they concern my own county, but, as I say, at the bottom of page 65 there is this small item: "Sherbrooke—public building, $742." The point is this. That money was taken out of the public treasury or out of the unemployment fund; but why was it not shown in the estimates in the regular way, charged either to income or to capital through the Public Works department, and not from unemployment moneys? Who is to decide whether the money shall come out of the unemployment fund or through the regular channels of the Public Works department

Mr. BENNETT: I take it that the hon. gentleman, being a resident of Sherbrooke, will be able to determine whether or not that $742 was for repairs. With respect to a large number of these items, my memory is that reports were asked for from the resident engineers as to what works might reasonably be done to afford employment to casual labourers such as carpenters and men occupied similarly. This $742, if it is like the items I have in mind—the hon. gentleman will be able to speak with authority so far as this item is concerned—would represent work done for the purpose of affording such employment as was possible to men who sometimes might, for instance, repair a sewer or perhaps the outside premises in connection with a public building, or who might do painting. Painting is one bit of work that was done in many instances. The reason it is not in the estimates is that parliament was not in session at the time the money was expended or when the reports were made; but as I have indicated to the house on many occasions, these items are all represented by vouchers for expenditure, which the auditor general approves, as he does any other item of public expenditure. They could not well be in the estimates because they did not arise until afterwards. The supreme purpose was unemployment relief.

Mr. DONNELLY: At the last session the Prime Minister told us that in order to relieve distress in the dried-out area and in the agricultural districts of the west, the government proposed a $5,000,000 revolving credit, through a credit association under what is known as the Beatty scheme. Has that scheme been put into operation and has credit been extended to the western farmers? Perhaps the Prime Minister will inform the committee how much has been given out or whether that scheme is in operation at the present time. Is there a report?

Mr. BENNETT: As I told hon. gentlemen, it was not a governmental instrumentality; it was an instrumentality for the public to which the government had made a contribution. A contribution was made through the Canadian National Railways and contributions were made through the Canadian Pacific Railway, the banks and the trust companies to create the fund; but the government has nothing whatever to do with the direction or administration of it. I have not inquired into the matter within the last month or so, but the administration was in charge of a very excellent gentleman as general manager, who at one time, if my memory serves me, was general manager of the Weyburn Securities bank. As to the extent to which their operations were carried on, I cannot say, because I have not the information; it has not been given to us. It is not a governmental instrumentality.

Mr. NEILL: I wish to move a small amendment if the Prime Minister will accept it; if he does not, I will not press it. In the fifth line of section 1, I would suggest that the word "not" should be deleted and inserted instead after the word "deemed." As the section reads now, it is provided that the act "shall not be deemed to have expired" on a certain date. The dictionary meaning of the word "deemed" is thought, or considered, or assumed, or pretended. While "pretended" is an excessive stressing of the word, in this case I use it because it illustrates best my meaning. So that we are going to say now

that we shall not pretend that the act has expired on a certain date. It is not pretence to say that the act expired because we all know that it expired at the time stated. That is, therefore, illogical, and is bad grammar. But we can pretend, or assume that it did not expire. I think it would be better if it read as follows:

The orders in council and regulations made thereunder shall be deemed not to have expired, etc.

Mr. BENNETT: The language of many statutes by custom and habit is not always the language that purists and stylists such as the hon. member for Comox-Alberni (Mr. Neill) would choose. In this instance the law officer of this house has settled the terms in the manner indicated and I think there is sufficient authority in British statutes of a similar character for the use of the words in just that way.

Mr. HOWARD: Mr. Chairman, I had not finished my observations. The item which I mentioned and which appears at the bottom of page 65 covers repairs to a public building in Sherbrooke. I would direct the attention of the Prime Minister to the fact that by the use of this method we will not be able to show the Canadian public a true picture of affairs for the next twelve months. I claim that that $742 should have been an expenditure of the Department of Public Works chargeable to income, such as is shown in the estimates or provided for in the contingent fund. Had this been done, the Auditor General's report for next year would show the expenditures for public works as so much, and the expenditures for unemployment as so much. Using this method more money will be shown as having been expended on unemployment than really was legitimately chargeable thereto, while the public works estimates will show a smaller expenditure than was actually the case.

Mr. BENNETT: The hon. gentleman should realize that this was not an ordinary expenditure nor was it intended to be such; this is an expenditure of $742 to cover repairs to that building for one purpose and one only, to afford relief and employment. It does not rank with the ordinary expenditures for public works. All the safeguards with which the law surrounds expenditures are observed by the Auditor General and by the departmental officials, and I am quite sure that the minister in charge will be pleased to show to the hon. gentleman the original documents which refer to this expenditure. I cannot see that an expenditure thus made for a specific purpose can be taken as having an effect upon the general position of the country. It is regarded as money borrowed, and, as a matter of fact, it is part of the obligations of the country as a whole. If conditions improve, as we believe they must or else this country will not be worth even its loans, these obligations will be met out of income as they mature. We are thus enabled to transfer to income charges which ordinarily, but for the depression, would have been made against income.

Mr. HOWARD: That may be all right as far as it goes, but surely the Prime Minister does not think that when the city of Sherbrooke is spending $320,000 on unemployment, an expenditure of $742 will change the situation very much?

Mr. BENNETT: No.

Mr. HOWARD: That is just the point. I do not think a correct picture of the nation's affairs will be shown in the future. I do not doubt that vouchers can be produced for the money expended, but I do not like this way of doing things. I contend that this expenditure for repairs to the public building in Sherbrooke should have been chargeable to income or to the contingent fund, rather than to the unemployment fund.

Mr. RALSTON: Mr. Chairman, I desire to bring to the attention of the Prime Minister a matter which I mentioned last year. At that time I intimated that I would not trouble him with any particulars but I asked him to look into the question of the manner in which men were selected to receive the benefits of the various relief projects.

Mr. BENNETT: I do not think the hon. gentleman asked me a question with respect to that matter.

Mr. RALSTON: Yes, I did.

Mr. BENNETT: I think it was the Minister of Labour. I did not understand that I had undertaken any responsibility with respect to that, because obviously I would not be in position to furnish the information.

Mr. RALSTON: My right hon. friend was piloting the bill last year.

Mr. BENNETT: Oh, yes, last year.

Mr. RALSTON: I told my right hon. friend that I would not trouble him with details but I felt that the administration of the act should be looked into. At that time I had under my hand the particulars of a number of instances in which I felt that the money of the country was being wasted in so far as it was not reaching the needy and

those for whom it was intended, and that others were being discriminated against. I wanted to give my right hon. friend and the Minister of Labour a chance to evolve some system whereby there would be a decent and proper distribution of labour. A few days ago I mentioned that the system had not proven, at least in the province of Nova Scotia, to be working out in the interests of those who are most in need.

I shall mention three or four instances to my right hon. friend, and I believe that he as a business man and as a man who intends to get the most for the country's money in the way of relief will realize that these instances indicate that this money is not being properly spent and is not reaching those for whom it was intended.

One case was brought to my attention in my own constituency where of those employed on the work, three were in good circumstances, four had bank accounts, and ten were unmarried men. There were several men with families in that neighbourhood who were in hard circumstances but who were refused work. I do not intend to put on record the reason for this refusal, but I will say that it was not that they did not need work. I do not believe that the Minister of Labour himself would approve of the reason given and that is why I ask for an investigation of some of these cases.

Another case was where one man employed on the work was well enough off to be able to lend money to the school section, while the only support of a widowed mother was refused work.

In another instance the son of a widowed mother of eight, the bread winner of the family, three other men each with five or six dependents, one with a family of nine and ten others were refused work while there were employed one man with a bank account, and an unmarried man whose father and brother were both permanent employees of the provincial government and had been working steadily.

In another instance where seven men were employed, no less than five had bank accounts, while others, in need were refused work.

I have received a return in connection with another case at lower Sandy Point in Shelburne county. In this instance the total expenditure was $2,996, one thousand dollars of which was unemployment relief money. The gentleman employed as foreman was a storekeeper, the owner of an automobile and the operator of a taxicab. He drew no less than $229 at the rate of $4.50 per day.

Mr. BENNETT: What sort of work was he doing?

Mr. RALSTON: He was acting as foreman, although he had had no experience with construction work. The reason he was employed, as hon. gentlemen can find out upon investigation, was that he was a good friend of the administration. Lots of men in this vicinity needed work but this storekeeper was selected as construction foreman.

Mr. RHODES: Is the hon. gentleman quite sure he is referring to work done under the Unemployment and Farm Relief Act?

Mr. RALSTON: I am, yes.

Mr. RHODES: And not work done as ordinary public works?

Mr. RALSTON: I can let my hon. friend have the return, which is number 186. It shows that the total expenditure was $2,996, one thousand dollars of which was expended under the Unemployment and Farm Relief Act. This money was all spent together and I cannot tell where the one begins and the other ends. The foreman on this work where $1,000 of unemployment relief money was expended was a storekeeper. In addition to this, two of his sons were employed. One drew $99, and the other $110. That makes about $438 out of the $2,900, or nearly half of the $1,000 drawn by these three men.

In addition to that, another shopkeeper who was on the work, a Mr. Coffin, appears as a labourer and as a timber man and appears also for a team of oxen, and a gentleman who I understand is his son appears for a double team, and they between them get $340. So there is a total of $778 paid out to men who did not need unemployment relief at all, $778 out of a total vote of $2,900. Now if that situation exists generally, then it seems to me that we are not getting the benefit of the unemployment relief money and that it is not being devoted to the purpose for which it was voted by this parliament or which was intended by the government; for the government did make definite regulations that party and creed and religion and race was not in any way to interfere with a man's employment. But that has been allowed to interfere in connection with these cases and in connection with quite a number of others that I could cite.

I have not brought this matter to the attention of the committee without first having brought it to the attention of the Minister of Labour, not my hon. friend who now occupies that portfolio (Mr. Gordon), but his predecessor. I wrote to his predecessor

last fall and gave him one of these instances and asked him to investigate the case. I also wrote to the director of unemployment in Nova Scotia and called his attention to the matter. The then Minister of Labour wrote me back that it was something of a minor case; that was the adjective he used. I wrote back rather strongly and intimated that it seemed to me that the government was not doing its duty and the Department of Labour was not doing its duty if it did not see that this money reached the people for whom it was intended, namely, the needy, and that nobody else but the Minister of Labour and the Department of Labour were responsible for seeing that this money reached this class of people. We had some correspondence about it, but the result was nil. Now those instances have occurred and they still remain uninvestigated.

This is what I ask of my right hon. friend the Prime Minister. I ask, first, that these cases be investigated. If the information which is given me is wrong I want to know it, but this is the information that comes to me, and I believe it to be correct. The information has come from a number of different sources which I believe to be reliable.

I ask, in the second place, that some method be adopted by the Minister of Labour, who is responsible for the administration of this money, whereby the selection of the unemployed will be made by people who have no political interest one way or the other, such as the overseers of the poor, the clergymen of the district, a Red Cross committee. Somebody who knows who are those most in need and who are most deserving, should be selected for the purpose of saying who shall go on these jobs; for I say to my right hon. friend, whether he thinks it is the case or not, that down in Nova Scotia in a great many cases the needy and the unemployed are waiting outside the doors of the Tory patronage committee to see if they are going to get put on the job or not, and men are being taken on just under the same old organization as operates in respect of ordinary federal public works. That is, a foreman is appointed, a friend of the party. He meets the patronage committee, and they decide who is going to get the work and who is not, and they are influenced in very large degree by the politics of the various applicants. I say it cannot be otherwise so long as my hon. friend the Minister of Labour leaves it that way. All the instructions that he can issue and all the orders in council that he can put through will not stop that sort of thing, because after all what you are trying to do, or should do, is not to deal with the matter here in Ottawa, but to reach the needy of that particular district and provide them with work and an opportunity for sustenance for themselves and their families. The people who are allowed to make the selections are in many cases not taking the instructions issued from Ottawa. So I ask my hon. friend in the first place to investigate, and in the second place to adopt a different system in regard to the distribution of these relief moneys and particularly in the selection of the men who are to receive this relief work.

I wish to deal with certain other questions.

Mr. BELL (Hamilton): Would it not necessarily happen in cases of the kind to which my hon. friend has referred, that the selections would be made by the officials of some municipal government?

Mr. RALSTON: No, not in the counties I know. I only wish that were true. The selections are made in the instances to which I have referred, I am informed, by the usual district patronage committee, the political patronage committee in the district.

Mr. HANSON (York-Sunbury): Is my hon. friend quite sure of the facts, or are his statements merely hearsay? He is a lawyer and he knows that the evidence which he has given to the committee would not for one minute be received in a court of law. It is a hearsay statement. I venture to say that the selection of these officials, if it is done in the same manner as it is done in New Brunswick, is made through the provincial government. In every case an outstanding man in the community is selected as foreman to take charge of the work. He will be a good man in whom the public will have confidence. The storekeeper to whom my hon. friend referred, if he has given a correct statement of the facts, and I am not questioning that at all, probably is a man who understands construction, and the fact that he runs a little country store does not preclude him from being capable of carrying on construction work of that character.

Mr. RALSTON: It means that other people who are just as well qualified and who need the work do not get the job.

Mr. HANSON (York-Sunbury): That may or may not be true. I am pointing out that being a storekeeper does not necessarily mean that he is not a proper man for carrying on that work. I venture to suggest that if the facts were known it would be found that the foreman was appointed through the provincial

Department of Public Works, the municipalities in these cases not having anything to do with the employment of the men and not contributing anything.

Mr. RALSTON: If my hon. friend will listen to me, the foreman is appointed on the recommendation of the district engineer for the federal Department of Public Works. Because I was frank enough to say that I would like to have an investigation, my hon. friend seems to think that I am not quite convinced of the soundness of the case I am presenting.

Mr. HANSON (York-Sunbury): I do not say that.

Mr. RALSTON: What I say and what I said before is that I received my information from a number of different sources which I believe to be reliable, and when I state that according to the information a storekeeper is selected for work of this kind and that men with bank accounts in different places in the constituency I represent are being put on the work, I say that the burden is on my right hon. friend to have an investigation and find out who is making these selections, because the men selected and given the work are not the men for whom the money was voted at all.

Mr. BENNETT: I thought the hon. gentleman said that the district engineer made the recommendations.

Mr. RALSTON: I know that the district engineer made the recommendations, but of course he made them on the recommendations of the local patronage committee. That is what he always does.

Mr. HANSON (York-Sunbury): That is what he did when you were minister.

Mr. RALSTON: Certainly he did, and I am not making any objection to that system when you are dealing with ordinary federal public works. I have never objected to that system in the case of ordinary federal public works. I have taken my medicine, if you like to put it that way, and when I have been administering patronage people have been selected who have been favourable to the government. But that is not what we are dealing with here. We are dealing with relief to the needy. The Prime Minister stated so himself. He said that the relief of the needy is what we are after. Under these circumstances you cannot have the same system that prevails under what is known as the ordinary political patronage system. That is what I am saying. I say to my right hon. friend that so long as you use the ordinary organization, with the local district political patronage committee selecting the foreman, and the foreman consulting with the committee to find out what men he should put on the pay-roll and what men he should not, you cannot have a fair administration of the act.

Mr. HACKETT: Is the method followed in Nova Scotia any different from that followed in the other provinces?—in Quebec, for instance, where the municipalities alone select the men upon whom these moneys are to be spent, and by whom the work is to be done?

Mr. RALSTON: I have never heard in my constituency of the municipalities making any selection of that kind whatsoever.

Mr. HACKETT: Is not the work done by the municipalities?

Mr. RALSTON: No. The work is either direct federal public work or work contributed to by the provincial and federal administrations. I know of no instance where the work has been municipal. When my right hon. friend has that machinery he cannot expect it to work properly. There would be no use having the most pious regulations in the world. Therefore I submit he has to revise his method and select some sort of impartial committee, or the overseers of the poor, or a citizens' committee. I wrote to the provincial director of unemployment, Mr. Spicer, and made that suggestion to him. I said, "Get the services of the overseers of the poor; they know the poor and those who need work. They are the people to make selections. Or, if that is not satisfactory, let the Red Cross or a local citizens' committee do the work." He wrote back and said he did not think—

Mr. SPENCE: Get a good Liberal.

Mr. RALSTON: Well, if we had one or two Liberals out of ten or twenty it would not be so bad. I assure hon. members opposite that even some of the Liberals are needy. I made the suggestion to Mr. Spicer and he wrote back saying he was not sure that the men suggested by overseers of the poor would be the best for the work. I assure you, Mr. Chairman it is better to spend unemployment relief money for those who are needy even though some might not do as efficient work rather than for those who do not need assistance.

Mr. HEAPS: What kind of work was it?

Mr. RALSTON: Work on breakwaters, wharves and roads.

Mr. MACDOUGALL: I know I should not interrupt my hon. friend but I should like to ask what portion of the relief moneys in the province of Nova Scotia is expended on wharves and breakwaters such as he has suggested? I should like to ask this further question: Is it not true that 97 per cent of the foremen appointed by engineers in Halifax responsible for the construction of the breakwaters were appointed by a Liberal administration? Is that not so?

Mr. RALSTON: Mr. Chairman, shall we return to the question before us?

Mr. MACDOUGALL: I should like an answer.

Mr. RALSTON: I do not know how much money was spent on wharves and breakwaters. The minister may be able to tell my hon. friend. I should think that in the western end of Nova Scotia about $50,000 has been spent on wharves and breakwaters.

Mr. MACDOUGALL: I want to tell my hon. friend that this government spent $148,000 in the constituency represented by my hon. friend.

Mr. RALSTON: I have a return in my room. I am not going to bandy words with my hon. friend, but I assure him he is wrong. With regard to the appointment of federal engineers I must say I do not know whether any have been appointed lately or not.

Mr. BENNETT: They are appointed by the Civil Service Commission.

Mr. RALSTON: I do say that in our district the recommendations to the engineers are made by local committees. With that machinery we cannot get along very well, so far as the administration of these funds is concerned. My hon. friend the Minister of Labour should see that the situation is remedied.

Mr. GORDON: The situation which has been spread upon the record by the hon. member, if true or based upon facts, would of course raise great anxiety anywhere in Canada. It is strange, however, that the Department of Labour has never received a single complaint, even from the hon. member himself.

Mr. RALSTON: I am surprised at that statement. If the minister had ever read his files he would know something about it.

Mr. GORDON: I do know.

Mr. RALSTON: He knows nothing about it.

[Mr. Ralston.]

Mr. GORDON: You are in Montreal, and not in the Department of Labour.

Mr. RALSTON: My hon. friend will find a file of his own predecessor setting out specifically one instance, and adding that the instance described was but a sample. A further request was made that the then minister make an investigation.

Mr. GORDON: Instead of sending a sample why did you not send the substance?

Mr. RALSTON: My hon. friend has made one statement which has proven to be wrong. During the last day or two he has shown a lamentable lack of knowledge of the working of his department.

Mr. BENNETT: A very unfair statement.

Mr. RALSTON: He would have done better to have stayed in the house and listened to the discussion than to run around the corridors, as he has been doing.

Mr. STEVENS: Very small, cheap.

Mr. RALSTON: My hon. friend got up and made the statement that I had not made a single complaint, when the fact is that I had expressly stated before and repeat it today that I had made complaints. There are available about four letters which passed between the predecessor of the present minister and myself. Why does he take that stand? Simply out of ignorance, that is all—nothing else.

Some hon. MEMBERS: Oh, oh.

Mr. STEVENS: Getting nasty again.

Mr. RALSTON: In view of the fact that complaints have been made, will the minister have investigations made? If he finds that my contentions are correct, will he take steps to correct the mistake and have selections made by some body capable of selecting men for these different works? I wait for the minister's answer.

Mr. GORDON: Mr. Chairman, the hon. member does not need to wait long. I have had something to do with the administration of the act, and for the past two years have worked in conjunction with many bodies throughout Canada. I am not going to suggest mistakes have not been made. Owing to the fact, however, that my hon. friend lives in the city of Montreal, far away from his riding, and his information is purely hearsay, I do not feel inclined to have investigations made.

Mr. RALSTON: That is about the finest exhibition of shifty work I have witnessed.

An hon. MEMBER: You should know.

Mr. RALSTON: I have given my hon. friend the facts. I have been in my own constituency, and talked with the men who gave the information to me. My contentions are on record in the department over which my hon. friend has control. However, if he is quite content with it—

An hon. MEMBER: Give us the names.

Mr. GORDON: Yes, let us have the names.

Mr. RALSTON: The minister is not interested in them, at all.

Mr. GORDON: Yes, I am quite interested.

Mr. RALSTON: I believe the Minister of Public Works wishes to make a few comments.

Mr. STEWART (Leeds): Mr. Chairman, I desire briefly to reply to some of the statements made by the hon. member for Shelburne-Yarmouth (Mr. Ralston). I wish to assure him that when starting out on this program to relieve the unemployed the government and every member of it kept in mind the primary object of having the work conducted in every case so as to provide the largest possible measure of relief to those in need. I think my hon. friend will admit we had no easy task, and that at times it is impossible to conduct work of this kind in a way which will be absolutely fair and satisfactory to all parties concerned. We agree also that sometimes for some motive or another complaints are made which are not well founded. Sometimes the motives are political, and sometimes they are motives equally unsatisfactory. I wish to assure my hon. friend that from the beginning the Department of Public Works and the officials connected with it have realized their responsibility. We started out with the fixed determination that as far as we could control the situation the work should be given to those who most needed it. I am not aware that my hon. friend sent to the department any complaints whatever with respect to work in his constituency. If he did, such complaints were immediately investigated, and if any abuses were found they were corrected —not only in his constituency, but in every other constituency from which any complaints came.

From the beginning the government has made a sincere and honest, and, in large measure, a very successful effort to meet the unemployment situation in the administration of these works. I am going to read to my hon. friend a letter that early in the season was sent out from the Department of Public Works to all the district engineers. It is dated November 25, 1931:

Dear Sir,—

It has, in a few instances, been reported to the department that the spirit and intent of the Unemployment and Farm Relief Act, 1931, in connection with employment of labour, have not been fully lived up to. The purpose of providing funds from which works would be carried out was to give employment to the needy and this was to be so arranged that the funds available for payment of labour would be distributed as fairly as possible among those in the locality where work was being carried on who were known to be in need, and in the first instance to those who were also the support of dependents.

Employment was to be given to parties in the above category regardless of political affiliations, race or creed.

The department wishes to reiterate that employment is to be distributed as fairly as possible among the people in the locality where money is being expended by giving employment to those in need of funds to sustain their dependents and themselves, and who have not other resources to carry them over the present period.

Employment is to be offered regardless of any political or religious affiliations, or racial stock.

In order that employment may be distributed amongst the needy as fairly as possible, the authorities in the locality who are in a position to know the circumstances of heads of families, and who can be most relied on to furnish a list of parties in need, are to be consulted, and the men are to be engaged in rotation for a few days at a time.

You will be expected to see, as far as possible, that the spirit and intent of parliament in granting the funds for this purpose, and of the government in allotting the funds, are met.

Kindly let me know what your procedure is in assuring this result.

That letter on the instructions of the head of the department was sent by the chief engineer to every district engineer. We have many letters of approval and commendation as to the way in which the works have been carried on. As I have said, any complaint that came in was immediately investigated. In some cases foremen were suspended, in other cases they were dismissed, and in every instance a sincere attempt was made to rectify anything that was not in keeping with the spirit of this legislation and with the tenor of these instructions.

Mr. VENIOT: The minister will admit that his orders were not always obeyed, then.

Mr. STEWART (Leeds): In some instances they were not, and, as my hon. friend said, in his constituency where they were not obeyed the conditions were very speedily rectified.

Mr. POULIOT: Was a copy of that excellent letter sent to every Conservative member and to every defeated Tory candidate?

Mr. STEWART (Leeds): No. This is a letter of instructions to the responsible officers of the department—the district engineers—and it meant just what it said.

Mr. RHODES: Mr. Chairman, my hon. friend from Shelburne-Yarmouth (Mr. Ralston) not only wrote Mr. Spicer, who under the Department of Labour was the director of expenditures under the Unemployment and Farm Relief Act, but he also wrote to myself, and I was at pains to take up direct with Mr. Spicer the question which he raised in his letter. I am extremely sorry that not knowing that this stage of the subject would come under discussion this afternoon I am at the moment unable to place my hands on the answers I received and the statistics I have with respect to the investigations I made. But I am in a position to say this, that in every one of those cases investigation was made, and the information which came to me was that these works with respect to which my hon. friend was complaining that his friends were not being employed in as large numbers as they ought to be, were direct public works, which are entirely different, as my hon. friend will know—

Mr. RALSTON: Certainly.

Mr. RHODES: —from relief works as such. Furthermore, my hon. friend in his statement a few moments ago said that the foremen in question were appointed by the district engineer of the Department of Public Works at Halifax. If that is so, it is evident upon its face that they were direct public works.

Mr. RALSTON: Oh no.

Mr. RHODES: Otherwise the appointments in question would come under the direction of the Department of Labour upon the recommendation of the representative of the Department of Labour in Nova Scotia.

But let me say this to my hon. friend. Although I have not the records before me, I know something of political divisions in that province, I know something of the political atmosphere down there, and speaking from memory, but I think with correctness, I may say my hon. friend was the only member from Nova Scotia who wrote to me by way of complaint with respect to expenditures in that province. Furthermore, let me say to him that his complaint arises in the constituency of Shelburne-Yarmouth. I hope the fact that that is the only constituency from which at the moment I have had complaints of any kind whatsoever does not cast any reflection upon the character of the political administration carried on there when my hon. friend was minister. But the fact of the matter is this, his are the only complaints I have had from that province. On the other hand, I have had numerous complaints from political friends of my own that they were not getting opportunities for employment, and they presented upon the face of it a very good case indeed why they ought to be employed. They complained very bitterly that a large number of Liberals could get employment.

But to my mind the best evidence upon the whole that expenditures in that province were based upon unemployment and need, irrespective of the political affiliations of those who were employed, is found in the circumstance that the Halifax Chronicle—which I may say is a rock-ribbed, thick-and-thin Liberal newspaper, the like of which is not to be found in any other part of Canada—sent a reporter down through the province to investigate expenditures upon public works, and amongst other places, he visited the constituency of Shelburne-Yarmouth. I am sorry I have not under my hand—if the debate proceeds beyond to-day I will produce it—the statement in that newspaper by its reporter that he found the work had been distributed with absolute fairness so far as the political complexion of the people employed was concerned. My hon. friend is too wise to attempt to argue from the particular to the general, but in effect that is what he is trying to do when he cites the case involving some $200. Let us admit that in the case in point men who should not have been employed were employed. I submit that this proves nothing in view of the fact that there was authorized for the province of Nova Scotia, not only under the Unemployment and Farm Relief Act but through direct public works, the expenditure of no less than $1,600,000, the larger part of which was either expended or in process of being expended. As my hon. friend knows, a large part of that amount was spent on highways under the direct supervision of the province, which made a contribution. I may say to my hon. friend that I have yet to receive one complaint from the province of Nova Scotia that this work was not fairly allocated and divided without regard to the political views of the men employed.

I would say this: If my hon. friend has no better evidence with which to bolster up his assertion that money was improperly expended in Nova Scotia than the evidence he has brought forward this afternoon—if it

can be called evidence—then he has made a very poor case indeed. I submit that in all fairness to my hon. friend. I think in justice not only to the provincial government but to this government, with regard to expenditures which were made by the Department of Public Works, it is only fair that I should make this general statement in reply to my hon. friend.

Mr. SHORT: As my constituency joins that of the hon. member for Shelburne-Yarmouth, I am somewhat familiar with conditions in that part of the province. Perhaps I know a little more about those conditions than the hon. member knows, because I spend a great deal more time among my constituents than he spends among his.

I had some $56,000 of this unemployment relief money expended on public works in my constituency, and the only complaint I heard was that too many Liberals and not enough Conservatives were obtaining employment. The trouble with my hon. friend is that his constituency has been Liberal almost constantly since confederation, and a Conservative never obtained a single dollar of public money that was spent in that riding. The Liberals have been so accustomed to spending public money that when a Conservative gets a few dollars they think it does not belong to him, and that is the whole difficulty.

The Minister of Finance mentioned the Halifax Chronicle, which sent a reporter around to the different works to see how the money was being spent. I hold in my hand a report that appeared in the Halifax Chronicle, and every Liberal in the province of Nova Scotia swears by that paper whether it is right or wrong. This article refers to one of the public works undertaken in my constituency, and it states:

> Public wharf at Weymouth is completed. Four hundred foot wharf costing $15,000 built entirely from local labour unemployment aid.
>
> Weymouth, February 5.—The public wharf built at Weymouth North during the late autumn and winter under the unemployment relief work act is now completed. The wharf which is 400 feet long was built under the supervision of Captain H. B. Fitzgerald of Weymouth North,—

I may say that Captain Fitzgerald is also a storekeeper. My hon. friend mentioned that a storekeeper had been acting as foreman. Captain Fitzgerald is a storekeeper, but previously he was a ship builder and he is thoroughly competent. I assume that the man in my hon. friend's constituency is the same type. Many of these men are retired captains who built vessels in their day, and who are familiar with carpentering work of that kind. The article goes on:

> —and was of great help to the people of that district who had no employment. It gave work to about 100 men, fishermen, farmers, labourers —regardless of politics or religious creeds. The men worked in shifts with about twenty-three men to a shift; besides the work on the wharf itself, the getting of timber and lumber also gave employment to the nearby mills in the getting and sawing of it.

Further it states:

> Practically the whole amount was spent in this place, the money for iron for the piers was spent in Digby county.

I quote this article in order to show that as far as work in my constituency was concerned, the foremen were instructed by the district engineer to give employment to as many persons who needed it as they possibly could, regardless of politics, religious views or anything else. It seems very peculiar that in the constituency of Shelburne-Yarmouth, which adjoins mine, there should be so many complaints. As I say, I never received a single complaint except that too many Liberals and not enough Conservatives were receiving employment.

Mr. VENIOT: I'll bet you fixed that.

Mr. SHORT: No, I did not; I am not such a dyed-in-the-wool politician as my hon. friend. Every man in my constituency got a square deal.

Mr. VENIOT: Oh, yes! !

Mr. SHORT: This refers to only one of the federal works carried on in my constituency. The men were employed in shifts, twenty-three men to the shift, and over 100 men were given employment in that way. Probably another fifty men were kept busy getting out timber, ballast and supplies of that nature. This principle applied to every undertaking in my constituency; I visited each one personally and know whereof I speak. I am speaking from personal knowledge; my hon. friend from Shelburne-Yarmouth is speaking from hearsay, which he gets from party politicians in the different places where work is proceeding.

Mr. RALSTON: In the first place, I am not taking the investigation of the Halifax Chronicle, as my friend the minister calls it, one way or the other; I am bringing to the attention of a responsible minister the fact that on the information I have—and I can give the names of the specific works—the order in council has been seriously violated in respect of the men who are receiving the benefit of this money. I do not care whether or not in Digby county there is a single example, but

I am rather surprised at the minister when he says he has not heard of any complaints. If he had read the Chronicle as much as he professes he would have seen a number of letters from men all over the province complaining very bitterly of the fact that they were deprived of work because of their politics.

Mr. SHORT: That was not on public works; that was on highways.

Mr. RALSTON: I remember distinctly a letter from a shore fisherman at Arichat, a man with twelve children, who complained that he was told "You want relief work now. You were so smart; you voted against us and prevented your women from coming to the polls in my car." That was in the constituency of my hon. friend the Minister of Finance, and that letter appeared in the Chronicle. It is rather extraordinary that it escaped my hon. friend's attention.

I am not concerned with the matter of the Chronicle; I am concerned with the fact that in this constituency there are these instances coming to my attention of people who did not need unemployment relief half as much as their neighbours needed it, but who got that relief while others were deprived of it. The ministry can do as they like about it, but I ask them to investigate that condition, I say to the Minister of Finance that the only suggestion I have heard of any investigation made by Mr. Spicer was one instance, in which the best he could say was that all the men employed on the work were those who previously had been unemployed. That has nothing to do with the case. There are many men worth millions who are unemployed, but that does not entitle them to unemployment relief money. My point is that those most in need were not getting the work, and that aspect of the case does not seem to have been met. My hon. friend says he has looked into the matter; I appreciate that. But since he did look into the matter he might have given me the benefit of Mr. Spicer's report in connection with it. This is the first I have heard of his having made a report. I am appealing once more to the ministry, and if it is the Minister of Public Works I am delighted to take his assurance, because I understood it was the Minister of Labour who had to do with furnishing the work. I understood that the Minister of Public Works was the one actually doing the job, the mechanic, if I might put it that way with deference, although the people to be selected were necessarily the wards of the Department of Labour. That, I should think, would be the chain of responsibility. If the Minister of Public Works will look into the matter I am perfectly satisfied that his investigation will be a fair one. Will the ministry give me that assurance, that they will look into these various cases to which I have referred? Surely I am not going to be expected to bring affidavits when I give specific instances in the constituencies. When I point out that there is this complaint, surely the ministry of its own motion will make investigation without anything further. I do not have to come and prove the case here. I am not acting as prosecutor at all; I am simply bringing the matter to the attention of the ministry and asking them to investigate it.

Mr. STEWART (Leeds): So far as I recall, my hon. friend has not disclosed the names of the places where this work has been done. If he will give the names of the places and write a letter giving the substance of the complaint I will see that the matter is investigated.

Progress reported.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, March 31, 1932

The house met at three o'clock.

BANKING AND COMMERCE

Mr. R. C. MATTHEWS (Toronto East Centre) presented the third report of the select standing committee on banking and commerce.

Mr. MATTHEWS moved that the report be concurred in.

Motion agreed to.

CANADIAN MERCHANT MARINE

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I desire to lay on the table of the house parliamentary return, reference 218, in answer to a motion by Mr. Laflèche concerning the Canadian Merchant Marine. May I add that it is possible there may be supplementary information, because upon investigation I find the question is somewhat indefinite.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

HON. LUCIEN CANNON

Mr. POULIOT:

1. How many cases were argued on behalf of the government by the Hon. Lucien Cannon while he was Solicitor General and in that capacity: (a) before the Supreme Court of Canada; (b) before the Privy Council?
2. Same question for his successor in office?

Mr. GUTHRIE:

1. (a) Supreme Court.

1. Reference re validity of section 17 of the Alberta Act. Hon. Lucien Cannon, K.C., and Mr. Eugene Lafleur, K.C., appeared for the dominion and took part in the argument. The factum and brief were prepared by Mr. Lafleur and approved by the Hon. Lucien Cannon.

2. The King v. Dominion Building Corporation, Limited, Hon. Lucien Cannon, K.C., and Mr. C. P. Plaxton, K.C., appeared for the crown and took part in the argument. The factum and brief were prepared by Mr. Plaxton and approved by Hon. Lucien Cannon.

3. Reference re persons (Senate). Hon. Lucien Cannon, K.C., Mr. Eugene Lafleur, K.C., and Mr. C. P. Plaxton, K.C., appeared for the government. Mr. Cannon and Mr. Lafleur took part in the argument. The factum and brief were prepared by Mr. Plaxton and approved by Hon. Lucien Cannon and Mr. Lafleur.

4. Reference re Troops. Hon. Lucien Cannon, K.C., and Mr. Varcoe, K.C., appeared for the dominion and took part in the argument. The factum and brief were prepared by Mr. Plaxton and approved by Mr. Cannon.

5. Sun Life Assurance v. Superintendent of Insurance. Hon. Lucien Cannon, K.C., and Mr. F. P. Varcoe, K.C., appeared for the superintendent of insurance and took part in the argument. The factum was prepared by Mr. Varcoe and approved by Hon. Lucien Cannon.

6. Reference re Aerial Navigation. Hon. Lucien Cannon, K.C., Mr. Eugene Lafleur, K.C., and Mr. C. P. Plaxton, K.C., appeared for the dominion and took part in the argument. The factum and brief were prepared by Mr. Plaxton and approved by Hon. Lucien Cannon.

1. (b) Privy Council.

1. Reference re Hudson's Bay Co. (Precious Metals). Hon. Lucien Cannon, K.C., and Mr. Aime Geoffrion, K.C., appeared for the dominion and took part in the argument.

2. Reference re Manitoba Sale of Shares Legislation, December 10, 1928. Hon. Lucien Cannon, K.C., and Mr. Aime Geoffrion, K.C., appeared for the dominion and took part in the argument.

3. The King v. Dominion Building Corporation, Limited. Hon. Lucien Cannon, K.C., Mr. Aime Geoffrion, K.C., and Mr. C. P. Plaxton, K.C., appeared for the crown, Mr. Cannon and Mr. Geoffrion taking part in the argument. The factum and brief were prepared by Mr. Plaxton and approved by Hon. Lucien Cannon.

2. (a) Supreme Court, none; (b) Privy Council, none.

ST. FRANCOIS D'ASSISES, QUE.—POSTMASTER

Mr. MARCIL:

1. Has the postmaster of St. Francois d'Assises, county of Bonaventure, Quebec, been dismissed, if so, for what reasons?
2. Has a temporary postmaster been appointed, if so, what is his name and on whose recommendation was the appointment made?
3. Has a permanent appointment been made in that office?

Mr. SAUVE:

1. Yes. Commissioners' report found postmaster guilty of active political partisanship.

2. No.

3. Instructions issued for permanent appointment.

HOPETOWN, QUE.—POSTMASTER

Mr. MARCIL:

1. Has the postmaster of Hopetown, county of Bonaventure, Quebec, been dismissed, if so, for what reasons?
2. Has a temporary postmaster been appointed, if so, what is his name and on whose recommendation was the appointment made?
3. Has a permanent appointment been made in that office?

Mr. SAUVE:

1. Yes. Commissioners' report found postmaster guilty of active political partisanship.

2. No.

3. Yes.

RAUDOT, QUE.—POSTMASTER

Mr. POULIOT:

1. Did the Postmaster General, since August, 1930, order an inquiry in connection with charges of political partisanship lodged against the postmaster at Raudot, Quebec?
2. If so: (a) at whose written request was this inquiry granted; (b) was said written request accompanied by many affidavits; (c) if so, what is the date, and the name of the person whose signature is attached to each affidavit; (d) on what date was each affidavit

received by the Postmaster General; (e) on what date did the Postmaster General order the inquiry?

Mr. SAUVE:

1. Yes.

2. (a) Mr. C. E. Dubé; (b) and (c) written request was accompanied by sworn affidavit, dated July 29, 1931, signed by Alex. Lebel; (d) August 19, 1931; (e) instructions sent to commissioner September 1, 1931.

GIRONDE, QUE.—POSTMASTER

Mr. POULIOT:

1. Did the Postmaster General, since August, 1930, order an inquiry in connection with charges of political partisanship lodged against the postmaster at Gironde?

2. If so: (a) at whose written request was this inquiry granted; (b) was said written request accompanied by many affidavits; (c) if so, what is the date, and the name of the person whose signature is attached to each affidavit; (d) on what date was each affidavit received by the Postmaster General; (e) on what date did the Postmaster General order the inquiry?

Mr. SAUVE:

1. Yes.

2. (a) Mr. C. E. Dubé; (b) and (c) written request was accompanied by sworn affidavit dated February 25, 1931, signed by Octave Landry; (d) April 4, 1931; (e) instructions sent to commissioner April 28, 1931.

LA RICHARDIÈRE, QUE.—POSTMASTER

Mr. POULIOT:

1. Did the Postmaster General, since August, 1930, order an inquiry in connection with charges of political partisanship lodged against the postmaster at La Richardière?

2. If so: (a) at whose written request was this inquiry granted; (b) was said written request accompanied by many affidavits; (c) if so, what is the date, and the name of the person whose signature is attached to each affidavit; (d) on what date was each affidavit received by the Postmaster General; (e) on what date did the Postmaster General order the inquiry?

Mr. SAUVE:

1. Yes.

2. (a) Mr. C. E. Dubé and Joseph Henri Fraser; (b) and (c) request of Joseph Henri Fraser was accompanied by (I) affidavit dated February 9, 1931, signed by Joseph Fraser, (II) affivadit dated February 9, 1931, signed by Telesphore Caron, fils, Joseph Henri Fraser, John Charles Caron, (III) affidavit dated February 9, 1931, signed by Noel Levesque, Isidore Levesque; (d) affidavits received on February 25, 1931; (e) instructions sent to commissioner April 14, 1931.

*PROVINCIAL-FEDERAL ACCOUNTS

Mr. POULIOT:

1. What was the total amount derived from each province for the last five years to date, by all the departments of the Dominion government?

2. What is the total amount paid to each province for the last five years to date, by all the departments of the Dominion government?

Mr. BENNETT: The question which the hon. gentleman asks I submit should be dropped. It is impossible to tell what sums have been derived from each province for the last five years, and by what department of the dominion government. It is possible to ascertain, as is known to every hon. member in this house, sums collected at the customs houses and income tax offices in each of the provinces. Obviously, however, imports at cities like Montreal, Quebec, St. John, Halifax, or other cities at the seaboard do not always show their destinations, and questions which have been asked in times past in this connection have not produced results. The Bureau of Statistics have not been able to get the information. It is not a question which the government could accurately answer, and an inaccurate answer would be worse than none at all.

Mr. SPEAKER: Question 15 dropped.

DESCHAILLONS, QUE., POSTMASTER

Mr. VERVILLE:

1. Was the postmaster of Deschaillons, county of Lotbiniere, dismissed, and for what reasons?

2. Who replaced him, and on whose recommendation?

3. Was an inquiry held, and by whom?

4. Did the department receive favourable reports relating to the dismissed postmaster, and from whom?

5. Did the department receive the application of Mrs. A. B. Dubois?

6. Was this application taken into consideration?

Mr. SAUVE:

1 and 3. Representations were received to the effect that the postmaster at Deschaillons was also an employee of the marine department. It was ascertained that he was signal agent and semaphore keeper at Deschaillons at an annual salary of $1,320. As the total remuneration attached to the post office amounted to about $2,000, and both were full time positions, the postmaster was required to abandon one. He expressed his preference for the position under the marine department

but refused to resign as postmaster. Action was therefore taken toward a change of postmaster.

2. Mrs. D. B. Lauzé, appointed by the Civil Service Commission.

4. A petition was received bearing 375 signatures.

5. Yes.

6. Yes.

TECHNICAL TRAINING GRANTS

Mr. REID:

1. What provinces made application for a grant from the Dominion government for technical training for the fiscal years 1931-1932, 1930-1931?

2. What grants of money were made to the various provinces by the Dominion government for technical education for the fiscal years 1931-1932, 1930-1931?

3. What was the total amount paid out by the Dominion government to the provinces for the purpose of technical education 1930-1931?

Mr. GORDON:

1. The provinces of Prince Edward Island, Nova Scotia, New Brunswick, Manitoba and Saskatchewan received grants from the dominion government for technical training for the fiscal years 1931-1932 and 1930-1931, in accordance with the terms of their agreements under the 1919 legislation as amended.

2.

1931-1932

Prince Edward Island	$ 24,706 09
Nova Scotia	37,721 36
New Brunswick	4,791 68
Manitoba	21,424 43
Saskatchewan	145,206 35

1930-1931

Prince Edward Island	$ 30,790 34
Nova Scotia	73,669 61
New Brunswick	50,025 71
Manitoba	38,621 44
Saskatchewan	198,289 95

3. $391,397.05.

CARLYLE, SASK., INDIAN AGENCY—FLOUR SUPPLY

Mr. McKENZIE (Assiniboia):

1. Were tenders called, during the past few months, for the supplying of flour for the Indian agency at Carlyle, Saskatchewan?

2. If so, what are the names of the tenderers, with dates of tenders received, and prices quoted in each case?

3. Who was the successful tenderer?

4. Was the lowest tender accepted?

Mr. MURPHY:

1. Yes.

2. All tenders due February 20, 1932:

	Per Sack
Quaker Oats Co., Saskatoon	$ 1 63½
Lake of the Woods Milling Co. Ltd., Winnipeg	1 85.
Western Canada Flour Mills Co. Ltd., Winnipeg	1 71
Western Canada Flour Mills Co., Ltd., East Calgary	1 71
Ogilvie Flour Mills Co., Ltd., Winnipeg	1 85
Maple Leaf Milling Co., Ltd., Winnipeg	1 73
Robin Hood Mills Ltd., Montreal	1 97½
Arcola Flour Mills Ltd., Arcola, Sask.	1 65

3. Quaker Oats Co., Saskatoon, Sask.

4. Yes.

UNITED STATES SHIPPING BILL

Mr. REID:

1. Has the Dominion government any knowledge of a shipping bill or bills which may be taken up at any time by the United States House of Representatives or which are before the Senate of the United States the effect of which would prevent Canadian ships from engaging in trade between two United States ports, to cover round trips from United States ports to adjacent foreign ports such as to points in British Columbia or Halifax or West Indian ports on the Atlantic?

2. If so, has the Canadian government made any protest or any recommendations to the United States government regarding the detrimental effect such proposed bill or bills would have on Canadian shipping, if put into effect?

Mr. BENNETT:

1. The Canadian government has been kept fully informed of such bills by the Canadian Minister to the United States.

2. The Canadian government has made representations to the government of the United States with respect to the matter.

QUESTIONS PASSED AS ORDERS FOR RETURNS

MONTREAL HARBOUR COMMISSION, OFFICE FURNITURE

Mr. SENN:

What office furniture was ordered and paid for by the Montreal Harbour Commission during the period from January, 1922, to June, 1926, and from October, 1926, to August, 1930, and is the said furniture still on hand in the commission's premises?

PREMIUMS ON GUARANTEED BONDS

Mr. FRASER (Cariboo):

1. How much has been paid by each department of the government as premiums on guarantee bonds in each of the years 1929, 1930, and 1931?

2. What losses, if any, have been sustained by each department of the government on account of defalcations during the years 1929, 1930, and 1931?

3. What amount, if any, of such losses has been paid to the government by the bonding companies?

4. Does the government propose to put into operation the suggestion of the Auditor General to revise the regulations in regard to the bonding of officials to meet present day conditions and requirements?

ST. HYACINTHE—ROUVILLE, CENSUS

Mr. FONTAINE:

1. Who was in charge of the organization and the management of the 1931 census, in the county of St. Hyacinthe-Rouville, and what amounts were paid to this person for his services?

2. Who acted as census enumerator in each municipality of the county of St. Hyacinthe-Rouville, and what amounts did each person receive for his services?

Mr. STEVENS: This order for return is now tabled.

COMOX-ALBERNI, CENSUS

Mr. NEILL:

What are the names and addresses of all parties in the district of Comox-Alberni employed in the organization, management and taking of the 1931 census in that district, showing in the case of each individual: (a) whether a returned man or not; (b) amount received for his personal remuneration; (c) amount paid him for expenses; also showing the basis on which remuneration and expenses were allowed in each case; and where the use of cars or boats were paid for by the government, the names of the parties to whom payment was made in each case, the amount paid, and the rate allowed?

SURVEY OF NATIONAL PORTS

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): Mr. Speaker, may I ask the Minister of Marine and Fisheries when the report of Sir Alexander Gibb will be tabled? I see the newspapers have received information which the house has not yet received.

Hon. ALFRED DURANLEAU (Minister of Marine): The second part of the report was received a day or two ago, and my officials are making a synopsis of it. It is a very lengthy report, and I hope to be in a position Monday or Tuesday next to table it. As to the reports appearing in the newspapers I can say only that the house will have to judge whether or not they are accurate.

Mr. LAPOINTE: Are they?

Mr. DURANLEAU: I do not think they are entirely accurate.

FORECLOSURE OF FARM MORTGAGES

APPEARANCE OF DOCTOR D. A. MACGIBBON BEFORE AGRICULTURE COMMITTEE OF MANITOBA LEGISLATURE

On the orders of the day:

Mr. J. L. BROWN (Lisgar): Mr. Speaker, I should like to ask the Minister of Trade and Commerce as to the correctness of an article appearing in the Winnipeg Free Press of March 29, 1932. It is stated here that Mr. D. A. MacGibbon, who is a member of the Board of Grain Commissioners has been refused permission by the Deputy Minister of Trade and Commerce in Ottawa to appear before a committee of the Manitoba legislature which is making an inquiry regarding possible methods of debt adjustment for farmers who are threatened with foreclosures. If that statement is true, is it done with the authority of the minister, and why?

Hon. H. H. STEVENS (Minister of Trade and Commerce): The statement is not strictly correct. It is broached in terms that are calculated to be misleading and to create controversy. The facts are these: Doctor MacGibbon was asked to appear before that committee and discuss a certain resolution which was presented to this house. Doctor MacGibbon wired and asked if it was thought desirable for him to appear and discuss the matter. The answer given to Doctor MacGibbon, which I think coincided entirely with his own view in the matter, was that it was undesirable for him, a public servant holding a quasi-judicial position to be involved in a matter which was of a controversial, or might be of a controversial, character, and which certainly was purely provincial. It was my judgment, the judgment of the deputy minister and I think that of Doctor MacGibbon himself, that it would be better for him not to participate in a matter of that character.

IMPERIAL ECONOMIC CONFERENCE

PARTICIPATION OF IRISH FREE STATE—DATE OF OPENING JULY 21

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, before the orders of

the day are called I wish to direct the attention of the house to a newspaper report which appeared in the Toronto Daily Star of March 29, 1932, under the heading:

Will Bar Free State At Empire Conference If Oath Is Abandoned
Consensus Of Opinion Among Government Officials At Ottawa Signal For Boycott

The article is as follows:

If the De Valera government persists in refusing the oath of allegiance to the King of England, officials of this dominion will refuse to permit the Irish Free State to sit at the council table of empire in Ottawa next July.

This was the informal consensus of opinion among high officials of the Canadian government here to-day. No official statement was issued by the government, but everywhere the De Valera attitude is a subject of discussion.

Canada's refusal to grant the Irish Free State a position at the imperial conference on inter-empire trade would, in effect, be the signal for a boycott of Ireland by all other parties to the conference.

As the Irish Free State's economic existence at present depends almost entirely on its relationship with the units of the empire, the sentiment of officials expressed here to-day is of great importance to the De Valera government.

It is admitted that an oath given without sincerity carries little or no weight, as an earnest of fulfilment, but repudiation of a solemn agreement arouses no enthusiasm in Canada, which could have saved millions within the last six months by repudiating Canadian gold obligations payable in New York.

That purports to have been sent from Ottawa and to indicate the opinion of high officials of the Canadian government. In fairness to the Under Secretary of State for External Affairs, and as a duty to the Dominion of Canada, I can say only this, that the correspondent of the Toronto Daily Star made some inquiries from Doctor Skelton who informed him, definitely and positively, that there was no warrant for any such statement being made. I can do no more than say that the appearance of reports such as the one I have just read emanating from Ottawa in the terms in which the alleged news is stated is calculated to do a very great injury to this country, and to prejudice inter-imperial relations.

May I say, Mr. Speaker, that the Canadian government fixed July 18 as an appropriate date upon which the Imperial economic conference might open. Communications were received from various dominions of the British Empire, including the United Kingdom, agreeing to that date. It was subsequently learned however that steamship connections were not all that might be desired for the opening on July 18, and accordingly on March 17 cables were despatched inquiring whether or not July 21 would be a satisfactory date, inquiring as to the numbers comprising the delegations and indicating that Canada would be the host to those members who comprised the delegations. On March 18 Australia replied indicating the date would be entirely satisfactory. On March 23 the United Kingdom, South Africa, and New Zealand replied in the same sense. On March 30 Southern Rhodesia replied in the same sense, their representatives having a special position at the proposed conference. This morning a message was received, dated to-day, from Dublin reading as follows:

No. 3. Reference to your telegram economic conference. Many thanks for your very kind offer of hospitality which we accept with much pleasure. The change of dates suits our convenience. The number of our delegates and staff will be approximately twelve.

Minister for External Affairs,
Irish Free State.

I need hardly remind the house that Mr. De Valera is the Minister for External Affairs of the Irish Free State. That completes the answers from the dominions of the empire including the United Kingdom. From Newfoundland a letter was received.

I make this statement in order to undo as quickly as possible any injury that may be done to the position of this country by reason of the despatch to which I have just referred.

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—CONSIDERATION OF BILL

The house resumed from Wednesday, March 30, consideration in committee of Bill No. 24, respecting unemployment and farm relief—The Prime Minister—Mr. Hanson (York-Sunbury) in the chair.

Mr. RALSTON: Mr. Chairman, last night I mentioned that I had another matter to bring to the attention of the committee. It has to do with work in one particular locality. I may say there are other works which are probably equally important, but I have received special representations with regard to this particular work, and I conveyed them both to my friend the Minister of Labour (Mr. Gordon) and my friend the Minister of Public Works (Mr. Stewart). Those representations had to do with the construction of a breakwater at Lower East Pubnico in Yarmouth county. It is represented that about forty families would be benefited by this work being undertaken. It was also represented that the work was very much needed on behalf of the fishermen. I need hardly remind

the committee that wharves and breakwaters are essential to the carrying on of the fishing industry; they are not only a convenience, they are a necessity from the point of view both of commerce and safety. I would urge my friend the Minister of Labour and my friend the Minister of Public Works once more to look into the matter of the construction of a work at that point, primarily to furnish employment, but also—and this is very important—to furnish needed facilities for the carrying on of fishing operations.

Mr. VALLANCE: Mr. Chairman, yesterday I directed a question to the Minister of Trade and Commerce, (Mr. Stevens) with respect to the grading of Garnet wheat. I notice he is not in his seat. I should like to direct the attention of the government particularly to this question. To-day is the last day of March, to-morrow will be the first day of April—spring is close at hand. When putting my question yesterday I read part of a letter —one of many I had received—regarding changing some of the grades of wheat. As the government is aware, large numbers of farmers are expecting seed from the Saskatchewan relief commission. I should like to suggest to the Minister of Trade and Commerce and to the Minister of Agriculture (Mr. Weir) —because I think he himself made the observation some time before the house met—that it would not be advisable this year to change the grades of wheat. For instance, in the answer I got from the Minister of Trade and Commerce he said:

> I understand that the committee will be called on Tuesday next, and that Mr. Ramsay, the chairman of the Board of Grain Commissioners, and others who have been making a study will attend before the agricultural committee so that the whole matter may be given careful consideration.

What the minister is talking of there is the possibility of creating a special grade for Garnet wheat. As I pointed out yesterday, many farmers in various parts of the western provinces are growing this wheat, and the creation of a new grade for it would penalize those farmers. Therefore in view of the close proximity of seeding time I would urge upon the government that no steps be taken this year to create a special grade for Garnet wheat, but that the investigation be continued for another year, when the agricultural committee will be in a better position to suggest to the government what should be done in this regard.

Mr. POULIOT: Mr. Chairman, may I ask the hon. Minister of Labour, first, what is the number of white collar unemployed in this country; second, what he intends to do for their relief? He does not answer. Is he asleep? The previous Minister of Labour (Senator Robertson) had powerful brains in a fragile body, but his successor (Mr. Gordon) is his antithesis. On one occasion Paul Bourget received one of his colleagues of the French Academy and put him up for the night. The next morning he knocked at his guest's door at nine o'clock and was answered sharply: "Don't disturb me, I am working." At eleven thirty he knocked again, and receiving no answer opened the door, when he found his guest snoring gently. He said, "Ah, my friend, you are over-working yourself." Another gentleman, a former provincial minister afterwards a member of the federal government, was attending a dinner with a person having the serious looks of the Minister of Labour, a guest was asked by a friend, "I wonder what that most serious man is thinking about?" The reply came, "Don't worry. He is thinking about nothing!"

I am weary of hearing the Prime Minister repeatedly saying he and his colleagues are working twenty hours a day. Of course, it may be all right so far as the Prime Minister is concerned, for it may be taken as a form of punishment for his having centred upon himself public opinion during the last election when from every platform throughout the country he declared, "I will do this, I will do that for you." It was repeated everywhere. But I do not think the Prime Minister should complain. There are ten million people in this country. Suppose two million of these are electors. Well, if each one of those electors wrote to the Prime Minister for information about something, asking, for instance, who was the Minister of Labour, he would receive two million letters a year—a large number. The Prime Minister is the most decent of men. But the working hours of the ministers cannot differ greatly from what they were when the Liberals were in power. I never heard my leader when he was Prime Minister saying anything about working twenty hours a day. He was simply following the example of his great predecessor, Laurier. Sir Wilfrid was astir early in the morning, from eight thirty to nine thirty he dictated correspondence to his private secretary, then he proceeded to the east block to receive callers, at eleven o'clock attended council, at three o'clock he was in the house, and at night he also attended here.

I am getting tired of this humbug about ministers overworking. They are working so much that no one knows what they are really doing—they are always at work. There are

many persons who might come to the help of my hon. friend the Prime Minister. It is a very good thing to keep their minds busy because then they have no time for wicked thoughts about putting people out of work.

Let us take the ministers one by one, and first we will consider my genial friend the Minister of National Revenue (Mr. Ryckman). He knows we like him and he does very well as a minister. I congratulate him, but he has less work than his predecessors had, because Canadian imports have decreased. If he has more work it is because he increases the tariff either over his own signature or by orders in council, and he is wrong in doing that. I should like to spare him that sort of work. If he did not do that he would have enough time in which to come to the assistance of the dumb Minister of Labour.

Now let us take my genial friend the Minister of the Interior (Mr. Murphy). He knows we like him also, but he has not as much work as my hon. friend from West Edmonton (Mr. Stewart) had when he was Minister of the Interior, because then the federal government had control of the natural resources of the west. Now these have been handed over to the provinces, and my hon. friend has more time at his disposal. If he has not more time it is because he is bothered by callers who wish to be appointed Indian agents or something of that kind.

Now let us take my good friend the new Minister of Finance (Mr. Rhodes). I congratulate him upon the fact that the Prime Minister has selected him as his adviser in financial matters. That is a great compliment to my hon. friend, and I am sure he will do very well. But with the revenue of the country falling he has much less to look after. I know he has a good deal of work in looking after conversion loans and that sort of thing, but that is because of the condition of the country. He has less to do than Mr. Robb had, for instance, or than Mr. Dunning had. He might have some time in which to come to the assistance of our silent friend the Minister of Labour.

Then there is my genial friend the Postmaster General (Mr. Sauvé). He is doing very well; he increased the stamp tax so that now we pay three cents instead of two for a letter. But he is doing very well, except when he is dismissing postmasters. He wastes too much time listening to the complaints of sour-mouthed defeated candidates who want postmasters all over the country dismissed for this and that reason. If he looked after the general administration of his department, without wasting time in dismissing so many good people, he would not be obliged to work twenty hours a day. He might do his work in eight hours, and in the twelve hours saved he might come to the assistance of the Minister of Labour.

Then there is my good friend the Minister of Marine (Mr. Duranleau). I think he does very well as a minister, and that is the best answer to the argument raised by himself and his colleague the Postmaster General when they were in the Quebec assembly. Then they complained of the fact that the Minister of Labour was a lawyer and not a working man, but here we have them sitting in council next to a lawyer who is Minister of Labour. I must not forget my friend the Minister of Public Works (Mr. Stewart), who is doing very well also. I have said that to him very often, and I am in earnest.

An hon. MEMBER: He did not build the station.

Mr. POULIOT: The station is all right now. I am dealing with a stationary minister, whose tongue is stationed in his mouth so that it does not work. I mean the Minister of Labour; I am not referring to the Minister of Public Works, for whom I have great admiration. Hon. gentlemen opposite should be very quiet; the next time I hear any interruption they will get it quick.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I would ask the hon. gentleman, who knows the rules, to observe them. We are discussing section one of this bill.

Mr. POULIOT: I think my discussion is in point, because I am dealing with the members of the cabinet and pointing out that they have much more spare time than the ministers in the last government had, and I am suggesting that they might use that spare time in assisting the Minister of Labour. In any case, I have nearly completed my argument.

I come now to my friend the Minister of Railways (Mr. Manion). He cannot complain of overwork, because he does not have charge of the administration of the railways; he just supervises it as his predecessors did. The Minister of Justice (Mr. Guthrie) also is doing very well, but he is doing no more than was done by my hon. friend from Quebec East (Mr. Lapointe) when he was Minister of Justice; he is doing no more than was done by Sir Charles Fitzpatrick, Hon. Edward Blake or any other minister who held that position. They did not work twenty hours a day.

Mr. COTNAM: How is Mr. Taschereau?

Mr. POULIOT: Mr. Taschereau has set a very good example to the federal government by not reducing the salaries of the civil servants of Quebec, and he would not waste a lot of money in order to bring a man like Mr. Ferguson from England to give evidence at the expense of this country.

Mr. COTNAM: Oh, oh.

Mr. POULIOT: If you suffer from constipation of the brain so that you can only interrupt instead of making your own speeches I commend you to the Minister of Health, who may be able to recommend a laxative.

Hon. gentlemen occupying the treasury benches say they are working twenty hours a day. Why do they not work only eight hours a day and bring in some of the unemployed to assist them in the direction of the affairs of state?

As a matter of fact, however, the ministers are not working twenty hours a day; only one hon. gentleman says he works twenty hours a day, and I believe him. But, Mr. Chairman, he has to work twenty hours a day simply because he is unfair to the other ministers: he does not allow them to share his work. I am sure they would be ready to shoulder some of the hon. gentleman's responsibilities. The Postmaster General, for example, would no doubt be pleased to help the Minister of Labour and to relieve him of some of his burdens; so would the Minister of Public Works; so would the Minister of Marine; and so would the Minister of Finance, who has to hand over to him the money which is spent in the provinces. The Minister of Labour—I refer, of course, to the present minister's predecessor—was clever enough to manage matters in such a way as to have some freedom to do as he liked. May I read what he said to me in answer to a letter which I addressed to him on September 3, 1931:

> It has accidentally come to my attention that this department has received from you personally eleven letters and one telegram, all within the last two days, with reference to unemployment works proposed in your riding.

It was extraordinary to that famous, excellent and efficient Minister of Labour, the present hon. gentleman's predecessor, that within the space of two days his department should receive eleven letters and one telegram from me, thus disturbing his peace of mind. He could not conceive that any man could write eleven letters and one telegram in two days. As I say, it was to him something extraordinary.

And I was forgetting my dear friend and old classmate, the hon. member for Dorchester

(Mr. Gagnon), who sits just as quiet as any minister—as quiet as that other image the Minister of Labour. Is he the minister's adviser? Let the Minister of Labour speak. If he would speak, I am sure he would repeat the nice things my friend from Dorchester has said. And in the meantime may I express the hope that some day the Prime Minister will acknowledge the service given by my good friend from Dorchester by saying to him, "Here, Dorchester, I will have you sworn by His Excellency as one of my advisers." If he has not yet received word to that effect he is about to receive it, and I am sure he will do well in the cabinet, at any rate until he is stricken by that disease of dismissing poor people who have done him no harm. Meanwhile I wish him good luck.

I suggest to the Minister of Labour that, instead of writing hieroglyphics while we are speaking, he should listen to the advice that is given him, at least the advice of the hon. member for Dorchester. It would be beneficial to him. He has been writing on the same piece of paper for ten minutes; I should not be surprised if he found it extraordinary that anyone could write eleven letters and one telegram in two days. Business efficiency and practical methods—that is something he cannot understand. But that is not all; the Solicitor General's advice has not been taken; it has been regarded as so essential to the government that it has been entirely dispensed with ever since the beginning of the session.

Let me point out something else, Mr. Chairman. I have received a very bold and impolite letter from a man in the civil service named Harry Hereford, Dominion director of unemployment. I must confess that I was surprised to get such a letter from a civil servant. I do not know whether he is Canadian-born or a naturalized citizen—in the latter case it may be, perhaps, that it is so much the better for him. But let me give this advice to all civil servants, whatever their salary may be or however great their self-importance. It is that they should be polite to members of parliament, regardless of politics or anything else. When I recommend someone to the Department of Labour I do so not on political grounds but because I am sure that the person whom I recommend is in need. That is the only consideration that actuates me. When, therefore, I consider it my duty to recommend anyone to the civil servant in charge, I expect him to be civil. When I submitted to this man, Hereford, certain requests that I had received from the municipalities in my constituency, I was merely discharging my duty as a mem-

ber of parliament and he had no right whatever to write such impudent words as these:

Aucun bon but ne semble avoir été atteint par cette action de votre part—No good purpose seems to have been served by this action on your part.

May I suggest that if this gentleman wishes to avoid trouble so far as this side of the house is concerned, he had better discharge his duties in accordance with the traditions of the civil service. He should be guided by that very excellent principle that is being observed by the civil service, namely, to serve the people. A civil servant should be, above all, civil.

The Minister of Labour showed considerable intelligence—and when I say the Minister of Labour I am referring, of course, to the present minister's predecessor—in having his work done by others. During the last campaign the present Prime Minister used to declare, "I will do this, I will do that"; it was the same old refrain that was heard in every city, town, parish, borough and municipality in the country, and at every street corner: "I will do this, and I will do that." And when he came into power, to his great surprise, the people said to him: "We expect you to do this, and we expect you to do that." But what did he do? He sheltered himself behind the provinces and the municipalities. He asked them to come to his assistance, and he called to the council chamber my good friend, Senator Robertson, and said to him, "Senator, I rely on you: you must arrange this for me." The Senator said, "That's all right; we will arrange it with the provinces. The provinces will bear the burden of the administration of this whole unemployment scheme. We will subscribe our share and the municipalities will do as much as the provinces and the federal government together." Now the hon. gentleman who is at the head of the Department of Labour has only to ask the Minister of Finance for one fourth of the money that is to be spent for unemployment purposes, the relief fund being administered by the provinces who contribute their share to it. He need ask for only one quarter of that and then he will not have to worry about the administration of the fund because the whole thing will be done by the provinces. I thank the Minister of Labour for listening to my remarks instead of writing hieroglyphics on a piece of paper. I defy him to say that this is not the case.

I have something else to say about Mr. Hereford. That gentleman blamed me for forwarding some of the requests which I had received from the municipalities before the order in council defining the jurisdiction of the federal and provincial governments had been passed. When I asked him to return these files to me he replied under date of September 7, 1931, that he was keeping copies in order to show them to the minister. If the trouble I had taken was superflous, if Mr. Hereford did not need copies of the documents I had sent to him, why did he make copies to be submitted to the Minister of Labour?

I am sorry it was necessary for me to be a little rough with the minister at the beginning of my remarks, but I had to do that in order to gain his attention. Is the minister in a position to tell the committee how many white-collar unemployed there are in this country? I will define what I mean by that term. I mean the clerks who were working in stores, in brokers' offices or anywhere—

An hon. MEMBER: Nowhere.

Mr. POULIOT: These men are unemployed and the hon. member should not make fun of them.

How many are now unemployed who were previously employed by grocery stores, by drygoods stores and wholesale establishments? How many commercial travellers have lost their jobs because of the decrease in trade? How many railroad employees have been put out of work while profiteers were selling ties to the Canadian National Railways which was supposed to be in such bad condition? These are matters of great importance, and for the third time I repeat that they are of great importance to the government if it is sincere.

If this government intends to relieve unemployment it should get to the root of the evil. It should know the cause of all this trouble; it should know why these people have lost their jobs. The minister should be able to advise the committee how many of this class are out of work. There are thousands, in fact tens of thousands unemployed at the present time. This information is not new to the minister, and I am trying to impress upon him that the only way to cure unemployment is to get to the root of the evil and then try to remove the causes. As I have said before in this house, during the war some soldiers were wounded by bullets while others were gassed, shell-shocked or received other injuries, but the same remedy was not applied to all. Every case was studied by expert physicians and surgeons and every man received the treatment which was best suited to his case. That is why many of the men wounded during the

war are to-day in better condition—they received the proper remedy.

If the minister can tell me how many white-collar men are out of work, I will sit down. How does he intend to take care of these men? Does he intend to employ them as Volga boatmen on the St. Lawrence scheme?

An hon. MEMBER: Yes.

Mr. POULIOT: It is below the intelligence of the hon. member to make the answer he has.

Does the minister think that these men will be able to do pick and shovel work on the St. Lawrence? They could not do it because they have not had the necessary training. If this government desires order to be restored, there is only one way in which it can bring about that result. The work of the government should be divided among the members of the cabinet instead of being done by a single man, however able. This government should adopt the practice carried out by the leader of the opposition (Mr. Mackenzie King) when his government was in power, and by Sir Wilfrid Laurier and Sir Robert Borden. It is only fair that members of the cabinet should share in the work of government. The matter is vital to the country and this method should be adopted. I do not make these suggestions to annoy the committee and the minister, I am simply trying to make the minister understand. Even though he were the greaest physician in the country, he could not cure a disease without first knowing what it was. Each angle of this unemployment question should be considered separately and the minister should take the trouble to obtain as soon as possible the information which I desire. As a matter of fact, this information should have been obtained immediately the government came into power.

A special committee made a study of the unemployment question for a short time after this government took office. One of its recommendations was that immigration should be stopped. I am glad to see the hon. member for Three Rivers (Mr. Bourgeois) in his place because this is the first opportunity I have had to welcome him to this house. He is a perfect gentleman and my only regret is that his political principles are wrong. During his last election campaign he paid a compliment to this government by stating that it had stopped immigration. What did the Acting Minister of Immigration and Colonization (Mr. Gordon) say to that? He said that this government would never close the door to Englishmen who wanted to come to this country. The minister is bringing young boys out here. It is true that they have the money to pay their passage but he cannot guarantee that they will not in the future be a charge upon this country. Perhaps he should take a position as purser on one of the boats which carry these young Englishmen to this country. I think the salary would be high enough.

An hon. MEMBER: Not high enough.

Mr. POULIOT: My hon. friend says it would not be high enough. The statement was made in Three Rivers that the government had stopped immigration. The government lets young men from the British Isles come in and I have no objection to them provided that they come here in times of prosperity and do not take the place of our own people.

One minister who has the greatest task ahead of him is the Minister of Trade and Commerce, provided he receives some cooperation from his colleague, the Minister of National Revenue, in order that Canadian trade may increase. When that is brought about, unemployment will disappear and the troubles from which the Canadian National Railways are at present suffering will be removed. Those are plain facts.

Although I have been in Ottawa for several years, this is the first winter that I have met on the streets so many men asking for direct help. We do not see that to such an extent in other cities. They come to Ottawa for assistance as to the Mecca of unemployment relief. They expect by coming here, to the seat of government, to get a job. It is very sad to see those men who seem to be in good health, humiliated to have to ask for charity from a stranger. Patience can exist for a certain time but no one can tell how long that will be. We have in each province law-abiding people, people who respect our institutions, and who look to the star of hope expecting that some day or another their miseries will come to an end. In every home there is a woman who has more worry than any of us can have, trying to make both ends of the family budget meet. With small pay, sometimes with one or two dollars obtained from relief sources, they try to carry on so that their children may be fed and clothed. How long will this last? The other day I saw a young woman who had threatened to commit suicide. She was taken in by a woman whose husband was out of work and who was doing sewing. People in these circumstances realize the links that unite

those coming from the same country and they endeavour to protect each other the best they can.

The Prime Minister and his colleagues know that I shall ever be a champion of the social order; I do not want to see it destroyed. But now we have in Canada the seeds of revolution such as exist in other countries. At one time there was a similar situation in France. Those who have studied the history of the world know that prior to the French revolution persons who said that the people were dissatisfied with the régime and that it must be overthrown, were considered insane. The nobility surrounding the king and queen said that this was idle talk; that such a thing as revolution would never happen; that they were safe and would retain their power as long as they wished. But one day the king and queen were arrested and some months later they were guillotined. This is what happened in France. The aftermath of this was that the fortunes of the nobility were confiscated and new fortunes were built up in their stead; a new order was created. It will be remembered that one of the most famous speeches ever delivered was that of Mirabeau when he advocated the contribution of one-fourth; he said to the French Assembly, to the rich, the well-off, the bourgeois who were there: You must contribute one-fourth of your fortunes to the state, otherwise the state will crumble. That was the prophecy, and because the French people did not listen to him when he urged them to return to the state one-fourth of their belongings—

The CHAIRMAN (Mr. Hanson, York-Sunbury): The hon. member's time has expired.

Mr. BEAUBIEN: Following the questions that were asked yesterday by the hon. member for South Battleford (Mr. Vallance) in regard to Garnet wheat, I wish, under this bill, to discuss the matter. I am sorry the Minister of Trade and Commerce (Mr. Stevens) is not in his place, but probably the Prime Minister will answer this question. Seeding time is at hand; the farmers are ready with their seed. In my district, on account of rust, the only kind of hard wheat we can sow is Garnet. We cannot sow Marquis; Reward is not a success and the farmers who intend to sow Garnet wheat wish to know how it is going to be graded. Yesterday the minister said that the committee on agriculture would inquire into this matter, but I ask the Prime Minister, the Minister of Agriculture or the Minister of Trade and Commerce, to make a statement as soon as possible in order that the farmers in those districts where they are sowing Garnet wheat and where they cannot sow any other type may be advised that Garnet wheat will remain at least for one year at the present grades, because I do not think it is good business to change the grade without giving them proper notice. I have received several requests to this effect and I would ask the Prime Minister if it is possible for him to make a statement now in that regard.

Mr. BENNETT: The question of grading Garnet wheat has for a considerable time engaged the attention of those responsible for the discharge of their duties under the Grain Act. At the present time Garnet, with other varieties of wheat, is graded under the standard grades. There are those who advocate that it should carry a separate grading; there are others who contend that such a separate grading would be improper, having regard to the very considerations to which the hon. gentleman has just referred. I suppose he has read last year's report of the grain commissioners in this regard. The other day the Minister of Trade and Commerce made a statement in the expectation that members from those western agricultural constituencies most directly affected would present their position before the committee on agriculture so that such legislation, if any, as might be required would be enacted without delay by parliament. The hon. gentleman knows the government is without power in the matter; that power parliament has conferred upon a body which it has created. The Board of Grain Commissioners and the Board of Grain Standards which are created by the Grain Act have authority to deal with the matter with which the hon. member suggests the government should deal. In order that the government might be advised and therefore be in a position to enact such legislation, if any, as might be required to meet the wishes of those who are best able to speak with authority on the subject, it was referred to the committee on agriculture. May I say I agree wholly with what the hon. member has said as to the desirability of having the matter promptly dealt with, and I would add that the agriculture committee meets tomorrow. The representations of the agricultural members being made to the committee, a resolution could be passed at once, and recommendation made to this house which, I assure my hon. friend, would be acted upon by the administration as quickly as possible, having regard to the rules of the house. I

would hope, however, if there is any discussion on the matter, that it might be somewhat more relevant to the bill than the discussion to which we have listened for the past forty minutes. I do not say this in an offensive manner, but I do say that I hope when the matter is dealt with it will be considered with more promptitude, a manner which would be in striking contrast to that which has characterized the measure now before the house.

If my friends, those concerned from both east and west, will attend the agriculture committee at its meeting in the morning, will see that representations are made, a resolution passed and a recommendation made that it be brought before this chamber, all facilities of this government will be available for the purpose of seeing that consideration is given to it.

Mr. BEAUBIEN: I wish to thank the Prime Minister for his kind words. It is a pleasure to see him in such good humour, and I appreciate it.

Mr. BENNETT: I am always in good humour.

Mr. LAPOINTE: You do not show it all the time.

Mr. BENNETT: It is other hon. members who become somewhat heated.

Mr. BEAUBIEN: If the right hon. gentleman will stay in that good humour for the rest of the session I hope I shall have the pleasure of many more conversations with him such as I have had to-day.

Mr. BENNETT: They have been long distance conversations.

Mr. BEAUBIEN: I am glad the Prime Minister has made the statement he did make. I hope whatever recommendations the committee makes will be made definitely, whether or not we are going to amend the grading this year, because seeding is about to commence.

Mr. BENNETT: The sooner the better; that is the reason the minister asked consent the other day.

Mr. RALSTON: I wish to refer the Prime Minister and the committee to the provision in the bill which provides for the payment of undischarged obligations after the expiry of the act. May I say that with money voted under the estimates the practice has obtained, and has been approved by the Auditor General, whereby if commitments are made under any particular vote, and the vote expires because the end of the fiscal year has been reached, cheques may be issued for a period of perhaps fifteen days after the expiry of the vote, in order to pay those undischarged obligations. As I understand it that is the most that has ever been allowed. The committee will bear in mind that such an allowance is made in connection with undischarged obligations incurred under a vote which is absolutely limited.

I understand the right hon. gentleman has said that some ruling was obtained to the effect that under the act which we are now asked to extend sixty days' time can be given, according to the Auditor General's statement, for the payment of obligations which had been incurred before the expiry of the act. My right hon. friend said however that there was some doubt about the legality or validity of that practice, and that in order to save any doubt the government had given instructions that no payments should be made after the date of the expiry of the act, according to the letter of the statute. I think he and all members of the government were wise in that respect.

Now, however, my right hon. friend, under this statute proposes that the government may incur any obligations it likes, or deems wise, under the provisions of the old act, an act which as we know very well, after the discussions we have had, provides for unlimited power, and which contains no limit as to amount. He suggests that obligations may be incurred at any time before the actual expiry of the act on May 1, 1932, and that those obligations may be paid at any time thereafter, no matter how long it is after the act has expired. I say there is no precedent for such practice.

To illustrate what I mean I should like to give an extreme case, because after all that is the best way to show it. For instance, this government might agree to pay a subsidy of $10,000,000 per year to a railway company for a period of twenty years. So long as they created that obligation before May 1, 1932, the provisions of the last part of this section permits them to pay their obligations out of the consolidated fund during the whole twenty years. My right hon. friend will probably question that, but I say that is the effect of the section now before us. I will read it, because I think it ought to be on Hansard:

Notwithstanding the expiration of the Unemployment and Farm Relief Act, 1931, chapter fifty-eight of the statutes of 1931, by lapse of time, the provisions of the said act, and all orders in council and regulations made thereunder, shall not be deemed to have expired on and to have ceased to be in force on and after the first day of March, 1932, but to have continued and to be in full force for all purposes thereof whatsoever until the first day of May, 1932, and all undischarged obligations

created under the authority of the said act, may be paid out of the consolidated revenue fund as therein provided notwithstanding the expiration of the said act on the first day of May, 1932.

In order to make it clear that that is under the act as amended, we find section 3 as follows:

The Unemployment and Farm Relief Act, 1931, and this act, shall be read and construed as one act, and this act may be cited as The Unemployment and Farm Relief Continuance Act, 1932.

I think it is proper to call the attention of the committee to this fact. Not only is there unlimited power under the old act, not only is there provision for an expenditure of an unlimited amount under that act, but now as a result of this new bill there is provision for unlimited time. That would mean that this government could commit the country to any amount the treasury of the country might contain, or might by any conceivable possibility contain after borrowing, for any time the government may see fit. I submit under this section the limitation to May 1, 1932, means nothing at all, except that commitments must be made before that date, but, once having been made, payments may be made for as long a time as the government may desire.

Mr. BENNETT: It is always amazing to listen to hon. members who put cases which they know will never arise, in order that they may support a position which is wholly untenable. The bill asks to confer upon the cabinet or a committee of the house authority to deal with relief and unemployment measures during a period of only one month more. During the month of March they have been unable to do anything, and nothing but accounts which cannot be paid have accummulated. The inability to pay has seriously inconvenienced every province west of the lakes, and also many of the municipalities. This has been brought about by the attitude taken by the opposition. One might have expected that they would have stated their case, clearly recorded their vote and allowed this parliament to proceed with the business of the country. It is not my business to complain of what they have done; they are answerable to the electorate and to themselves. But they seem to forget that after all there is an extraordinary condition in the country. Now and then one of the faithful in a moment—shall I say?—of mental aberration from his standpoint declares there is a condition that is very serious, but at once he is frowned upon by those who would have you believe that everything is just as it has been. Now, everything is not just as it has been in any country in the world.

I will not dwell again upon the reasons that induced the government to ask this parliament to extend the statute for a period of sixty days. This is the last day of March; therefore the extension if granted to-day will continue for a month. In the meantime, as I say, there are large numbers of orders in council that must be passed in order to enable payments to be made. My own personal view is that when a statute authorizes an obligation to be created, and the obligation is validly created under it, and there has been no fraud, nothing to throw distrust upon the accounts as rendered, the obligation of the country should be paid. The hon. gentleman is of opinion that when midnight of the first day of March was reached the obligation to pay ceased with the authority to create.

Mr. RALSTON: The authority to pay ceased.

Mr. BENNETT: Yes.

Mr. RALSTON: Not the obligation.

Mr. BENNETT: Yes, together with the authority to create new obligations. Parliament, if it enacts this bill, will have conferred upon the executive power to create new obligations during the period of thirty days. It will also make clear that the obligations that have been created and not paid may be paid after the first day of May. There is nothing new about that, nothing at all. It is the law of this country. If the obligation is validly created, an obligation to pay has arisen, and with the loss of further power to create obligations there is no lessening of the necessity to pay. It does not seem to me to require very much argument to make that clear.

Now, what the hon. gentleman suggests is that there may be an abuse of that power. I am bound to say that I anticipated some such objection would be made, and hence it is that any orders in council and regulations must be forthwith laid upon this table. The preamble of the bill is the guide for its interpretation. These works are to be created for one purpose, namely, relief of unemployment, to afford opportunity for those who so much require it to get employment for the purpose of meeting the demands of sustenance, of life itself. The preamble is the interpretative section. The steps taken by the executive will be made known from day to day as they are made effective under the provisions of the statute. Does anyone suggest that if any government undertook so to

abuse its power as to pass an order in council of the character indicated by the hon. member for Shelburne-Yarmouth (Mr. Ralston), and it was laid upon the table of this house the next day, that the government would continue to exist? Is it thought for a single minute that it would?

Mr. RALSTON: What has that to do with it?

Mr. BENNETT: It has everything to do with it, because this legislation is predicated upon one principle—that parliament has conferred upon the executive the power to create obligations for the purposes mentioned in the statute, namely, to relieve unemployment.

Mr. RALSTON: Why limit it at all? Why have any words at all?

Mr. BENNETT: I am so glad to hear the hon. gentleman say that, because I thought I would limit those things. Now I know he would have gone much further; he asks, "Why limit it at all?"

Mr. RALSTON: If your argument is sound.

Mr. BENNETT: "Why limit it at all?" he asks. I assume that when the appropriate time comes he will by his vote give effect to the principle he has just enunciated.

Mr. RALSTON: If your argument is sound, why limit it at all?

Mr. BENNETT: Why trouble with "if's" and "and's"? Once more the hon. gentleman is just endeavouring to set his will against the will of the majority of parliament. All I can say is we have put this provision in the statute deliberately.

Mr. RALSTON: We are going to see it through?

Mr. BENNETT: Well, we are going to endeavour to see it through, because that is what we were sent here for, and I am sorry the hon. gentleman has not yet discovered that he is sitting to the left of the Speaker.

Mr. RALSTON: I have been forced to realize it many times.

Mr. BENNETT: It is unfortunate. When I hear one of his capacity and training talking of piffling five cent pieces, of whether Grits or Tories are employed in a municipality in his constituency, I realize he cannot be very much engaged in thought for the country or he would not be wasting his time talking of such matters. But that is the size of it, and the size of the observations too. They are not creditable either to the hon. gentleman or to parliament itself. I was pointing out that this government has obligations which unfortunately will not be known for a long period of time. If he had observed what was said the other day, that under the act of 1930 only four million dollars had been expended at the end of the fiscal year, and the other fifteen or sixteen million dollars, although it had been expended was not paid until this year, he would have realized the necessity for this measure.

Mr. RALSTON: That was a limited act.

Mr. BENNETT: But I am only pointing out the principle, that the obligation being created it must be discharged.

Mr. RALSTON: Certainly.

Mr. BENNETT: And it cannot be discharged just as promptly as the hon. gentleman suggests it may be, for the reason that this government has not control over the works carried on by the municipalities or the provinces. We have in the Department of Labour accounts certified, amounting to millions of dollars, from every province I think, but one, in this confederation. Their payment awaits orders in council. Those orders in council we propose to pass just the day this legislation is enacted in order that the municipalities may be paid for the work they have undertaken. For instance, the municipality of Burnaby may be able to get some of its money from the province of British Columbia when this legislation is enacted, but all the time the hon. member for New Westminster (Mr. Reid) has interposed his will, he has prevented the municipality of Burnaby from getting payment. And that applies to every other municipality in every province in this dominion, because under the construction placed upon this statute—I think improperly—we have not been able to make payment of a single sum since the first of March to the various communities requiring money. We have placed in this statute a provision that obligations created prior to the first of May may be paid thereafter out of the consolidated revenue fund, so there may be an assurance that every obligation created by order in council will be paid. There are balances due for work provided in the agreements as given in detail in the return tabled by the Minister of Labour, and which are explained under the headings of municipal, provincial and federal obligations. Federal works, it will be observed, are practically all paid now. If hon. members have taken the trouble to look at the report they will observe that the federal obligations have been practically all dis-

charged, except where the work is still being carried on. For instance, the hon. member for Gloucester (Mr. Veniot) stated that at Shippigan the money had not been spent and he rather insinuated it was a deliberate political oversight; but sitting opposite to him is the member for Northumberland, N.B., (Mr. McDade), who supports the administration, and who finds that in his constituency there is $10,000 unexpended with respect to a wharf at Chatham, for the same reason given by the Minister of Public Works—that the work involved a very large expenditure carrying into the future. With the sense of the responsibility that this executive must have with respect to matters of this kind, we did not care to project ourselves into a period of time which was indefinite. When the engineers making their final report indicated this fact the works were not proceeded with.

Then you came to the next realm, which was the work for the approval of which the province itself was responsible. The contact of the federal government is with the provinces, not with the municipalities.

Mr. VENIOT: Do you say these amounts were all paid?

Mr. BENNETT: I am just making the point that they are not paid; that is what I am saying. Unfortunately, they could not be paid because the work has gone on intermittently. Take the work in Quebec city, for example. This is a standard illustration, because the mayor of that city came to Ottawa together with a delegation of which the hon. member for Quebec East was a member. He knew, as I knew—though I knew it better after they had explained it to me—that the severity of the winter there had made it impossible to carry forward these unemployment works. They had been able to go on only to a certain point, and then they had to stop. They said they wanted an extension of time, and we considered that the obligation being created under this order in council, we should meet it until May 1.

Now I will make this closing observation in that regard. There are very few statutes enacted by this parliament conferring any power of an administrative character on the executive that are not capable of abuse. Every effort that men can make to prevent abuse is being made, and as I explained the other evening no action by this government would impose a new or fresh obligation upon the people of this country, other than the continuance or discharge of those provided for in the report made by the Minister of Labour. except under most exceptional conditions. One of the new obligations we will have to meet is with respect to seed grain in western Canada. We took the ordinary, elementary precautions in connection with it, not ourselves but through the commission and through others who are directing enterprises in connection with the movement of grain, to see that seed might be preempted, or made available. It has not been paid for, but it must be paid for. We knew from each of the provinces what would be its probable needs.

I need hardly say to this committee that nothing so concerns this government as the whole financial outlook of this country. Is there any man who is carefully studying conditions who does not realize just what are the burdens and responsibilities at the present moment in connection with financial conditions? Even the richest country in the world, our neighbour to the south, has a deficit larger than has ever been recorded in any country of the world, amounting to almost two and a half billion dollars, an almost unthinkable sum. With our financial obligations we realize the need for every possible effort to avoid the creation of obligations that are not absolutely essential for the purpose of carrying into effect the provisions of this measure. If the hon. gentleman suggests the possibility of abuse I can only say to him that abuse is possible under any statute where power of an administrative character is vested in the executive. Criticism is always conducive to soundness of administration, and the very criticism that has been made by the hon. gentleman as to the possibility of abuse will be always a factor in deterring those responsible for creating the opportunities for criticism by such abuse. That is known to everyone.

I can only say to this house that to the extent of our ability we propose during the next thirty days to limit our commitments to the minimum consistent with the obligations that already rest upon us and which must be carried out by fresh orders in council, in connection with seed grain, for example, and in connection with the moneys that must continue to be paid to the relief commission of Saskatchewan. We are still caring for many thousands of families out there. It may be of interest, and I think the committee should know that in furtherance of the views which I expressed a few days ago I have despatched a message to the governments of all the provinces for the purpose of enabling us to look at this financial position clearly and ascertain to what extent it may be necessary for the

dominion to secure funds to enable the provinces to discharge, within the realm of their responsibilities, the obligations which rest upon them. This we hope to do within the next ten days, in order that the legislation which we will submit to this house to care for the future, beyond May 1, may be based upon as intelligent an understanding as we can have as to what are the obligations involved.

I can only repeat—and I say this with some degree of confidence—that I believe that there is no member of this house, of the legal or any other profession, reading those contracts that have been entered into between the provinces and the dominion, and knowing the terms in which the obligations must arise and the payments be made, who will not admit that it is essential that there should be some provision enabling the payments to be made in the future for the obligations created up to May 1. The right hon. leader of the opposition asked the other evening as to whether or not we contemplated the creation of new financial obligations. I answered that at the moment I had no knowledge of any beyond those connected with seed grain and the work of the relief commission. There may be a few others of which I have no knowledge at the moment, but it is not our intention to create other fresh obligations. But we must frankly meet the situation to which I have alluded, and I trust the committee will pardon me for repeating these matters as I have, because the responsibility for the moment rests with us, and I am anxious that the committee should have as full an understanding of the situation as possible. So I say that we ask this power, not for the purpose of abusing it but for the purpose of enabling us to meet obligations that have been honestly incurred, upon which the contracting provinces and municipalities rely, to enable them to make payment in cash or kind to those who have discharged unemployment work in the several parts of this dominion.

Mr. RALSTON: As to delay, we have bandied words across this floor for some time with regard to responsibility, and when the time comes I and those who are on this side of the house will be quite willing to submit our record to the electors and have them decide who is responsible for the delay and indifference in dealing with this question.

I am not going to be led away from what I was discussing, when the right hon. gentleman rose to speak, by a résumé of the whole debate which has been going on for the last two weeks. The reference which my right hon. friend made to the instances which were given as to the way in which money was being expended was, it seemed to me, unworthy of the leader of a government who himself says they have endeavoured to see that the money reached the needy, and whose government went so far as to pass an order in council declaring that to be the purpose of the expenditure. It seems to me that anyone who could bring instances or point to cases in which it appeared likely that the policy of the government had not been carried out, should be welcomed by my right hon. friend, and that immediately a promise of investigation should be made. I do not think it lies in the mouth of my right hon. friend, or that it puts him or his government in a proper light before the country, to be so intolerant of criticism or of statements which would rather indicate that the assurances they have been given with regard to the administration of this money may not have been lived up to. It seems to me that the Prime Minister should do what my friend the Minister of Public Works did last night, that is, promise an investigation and desist from criticism of those who, notwithstanding the intolerance with which they seem to be met, feel that they should point out to this government instances in which the administration of this act has gone wrong.

Now let us get back to the point. My right hon. friend has a habit of traversing a good deal of territory when replying to a question which he feels may perhaps contain some modicum of intelligence, some grain of soundness. My suggestion to my right hon. friend was that if money was voted in the estimates no more than fifteen days would be given in which to make payment. My right hon. friend suggested that the most he could hope for under the ruling which he had was that within a reasonable time he might be able to make payments after the date for incurring obligations had expired. I pointed out again that this statute is unlimited as to time, and I submit that the Prime Minister has no precedent anywhere for any such statute. I expected that possibly he might justify this section in this way: I thought the provision might have been introduced for the purpose of allowing him to make payment now of obligations which had been incurred under the statute before the first of March. But did anyone ever imagine that my right hon. friend would embody in this statute power to make future payments for obligations incurred between now and the first of May when parliament, according to all

expectations, will actually be sitting here on the first of May and would be able to vote money if it had been properly obligated for? But the Prime Minister suggests that regardless of parliament he wants authority now not only to incur obligations but to make unlimited payments for unlimited purposes for an unlimited time. My right hon. friend has not answered the objection in this regard; he has given no reasons for wanting this authority. The suggestion he makes with respect to the fact that the provincial authorities may have made commitments and that their projects will not be completed is not good ground. He saw to it when he made the form of agreement contained in the report of the director of unemployment relief that a definite time limit was put in for the completion of projects, and I should expect that he would do the same thing now; and if he wishes to implement the obligation which he is going to undertake in connection with these projects he may fairly, taking a reasonable time, fix some time limit in the act, providing that within a certain time or before a certain date payments may be made. Let him take his fifteen days or thirty days or sixty days if he wishes, although I say that that is absolutely unnecessary in view of the fact that parliament will be sitting and will be able to vote the money. But let us assume that this is the sort of thing which we are to expect in this country at the present time and that my right hon. friend's demands have to be acceded to. Let us assume that, and let us assume further that the unheard of position which the right hon. gentleman takes with regard to the opposition is correct, namely, that we have been summoned by His Excellency and have come here merely to look on, being nothing but a minority. Assuming all that, I still maintain that my right hon. friend, for his own protection, if he cares nothing for the criticism of those on this side of the house, ought at least to put in some definite time within which all payments must be made in connection with obligations incurred before the first of May. I think that is a reasonable suggestion and I offer it to the Prime Minister. He will probably reject it; but I ask him, in the interests of what I submit is a proper form of legislation, and having some regard for the credit of the country as well as for his own protection and the protection of the government, to insert at least some limitation in the act. If he does not do this he has simply added to the bill the third and perhaps the worst of the indicia of absolutism when he provides now that it shall be absolutely unlimited as to time, as to amount and as to power.

Mr. BENNETT: My hon. friend must realize that the law as it now stands provides that any judgment recovered against the crown is paid out of the consolidated fund without ever being in the estimates. This is merely that principle. Assuming that in every case the person entitled should recover judgment, the claim would be payable out of the consolidated fund.

Mr. RALSTON: Why put it in the statute?

Mr. BENNETT: I asked myself that very question, and I am glad my hon. friend has raised it. Unless the principle were extended to a case such as this, it would be necessary for the claimant to recover judgment in each instance, and no one would suggest that every province and municipality having a claim should have to reduce it to judgment. I know of a case where the crown had grave doubts whether or not it was liable. Fiat was issued, action was brought, judgment was recovered and we had to find the money, willy, nilly, without estimates or anything else. The hon. gentleman knows that in his time as a member of the government orders in council had frequently to be passed to discharge judgments out of the consolidated fund, over which parliament had no control, it being taken that the reduction of claim to judgment comprised such an assertion of the judicial branch of government as to compel the executive to find, out of the consolidated fund, the necessary money. And in the statutes themselves—I forget what statute—it is provided that where a claim is reduced to judgment it shall be paid out of the fund. In this instance we have merely asserted the same principle.

Mr. RALSTON: No, no.

Mr. BENNETT: Exactly.

Mr. RALSTON: No.

Mr. BENNETT: Well, I put this to the hon. gentleman. If a claim arises under the agreements to which reference has been made—and they are all referable to the agreements between the provinces and the dominion—and we do not pay, would not any province be able, under a petition of right, to obtain speedy judgment and strike out any defence that might be made?

Mr. RALSTON: My suggestion is that the time for payment should be limited so that my right hon. friend will not incur under any

agreement any obligation which might ripen into judgment. There should be a limitation of the power which is sought. That is my point.

Mr. BENNETT: That is not the point the hon. gentleman made a moment ago.

Mr. RALSTON: That is the point I am making now.

Mr. BENNETT: I have limited it in this way, that no obligation shall be made that binds the consolidated fund unless created before the first of May.

Mr. RALSTON: I am trying to get the Prime Minister to limit the time for payment so that he should have to limit the obligations he incurs to a date before the expiry of the time.

Mr. BENNETT: We have already provided that the obligations must be created before the first of May.

Mr. RALSTON: But you have not provided how long they may exist.

Mr. BENNETT: Certainly not,—

Mr. RALSTON: That is the point.

Mr. BENNETT: —for the simple and obvious reason that I cannot anticipate the time in which a contract would ripen into a claim.

Mr. RALSTON: You did before.

Mr. BENNETT: No.

Mr. RALSTON: You provided for May 1, 1932, in the agreement with the provinces.

Mr. BENNETT: The obligations were not in any sense unenforceable because the statute under which they were created had no validity.

Mr. RALSTON: My right hon. friend does not suggest that the provinces could enforce judgment for work which was done in contravention of that agreement.

Mr. BENNETT: No, not for a moment. Beale's Cardinal Rules for the Interpretation of Statutes lays down this principle: that if under a statute which no longer has validity an obligation has been created, the responsibility to meet the obligation has not vanished because the statute has expired.

Mr. RALSTON: If you get judgment.

Mr. BENNETT: It does not lay it down as judgment; perhaps my hon. friend desires to put it that way. What I say is this: The principle upon which we proceed is the same as that which obtains in the statutes of Canada—that when a claim is reduced to judgment, however small or however large, it is payable out of the consolidated fund regardless of estimates or parliament or anything else. And the general principle thus asserted from time immemorial in this country in our statute law is finding expression here. I do not care to undertake to limit the time within which payment for obligations created prior to the first of May shall be made, but in order that the house may be informed what the obligations are, we provide that the orders in council shall forthwith be laid upon the table of the house.

Mr. RALSTON: The principle upon which I ask my right hon. friend to proceed is this: that the time within which payment must be made shall be limited and therefore, in order to carry out that obligation to limit the time he would have to limit his obligations made before the first of May, so that he would undertake no obligations which would be payable after the time to be prescribed by the statute. That is what I want my right hon. friend to do, and I am suggesting it for his own protection as well as for the protection of parliament and of the country. The Prime Minister is saying that the obligations must be made before the first of May, but they may be payable five, ten, fifteen or twenty years from now, under the statute. That is what I am endeavouring to get him to limit.

Mr. BENNETT: Does anyone think that unemployment relief payable twenty years hence will be of value?

Mr. RALSTON: The Prime Minister knows perfectly well that everything under the sun has been done in the name of unemployment relief. Do not let him take us down that alley, because we have explored it and we have found that this statute is as broad as the Dominion of Canada and as wide as the legislative powers of parliament.

Mr. BENNETT: It was intended to be.

Mr. BRADETTE: The fact that a member of parliament is sent here to represent a constituency implies certain obligations on his part, and I wish to make some remarks with regard to the subject now before the committee, which involves the expenditure of millions of dollars on unemployment relief. I mean the trans-Canada highway. This matter is of national importance and although there have been controversies in certain sections of the province with reference to the routing, I intend to discuss it entirely outside of the realm of politics. Last year I had a resolution dealing with this question and I

believe the Minister of Railways (Mr. Manion) stated that I had dealt with the matter in an absolutely non-partisan manner. It is my intention to proceed in the same way this afternoon, but I shall try to obtain a definite answer to my question from the Prime Minister (Mr. Bennett), or at least from this committee. My resolution last year read as follows:

Whereas the need for the construction of a trans-Canada highway has been accepted by the Canadian people;

And whereas, during last winter, that principle was being actually implemented by the construction of some of its links in northern Ontario out of the funds voted during the emergency session to relieve unemployment;

And whereas the necessity of the construction of two alternate routes is now well established;

Therefore be it resolved that in the opinion of this house that all moneys voted for that purpose will be spent on a fifty-fifty basis on the LaReine, Cochrane, Hearst, Nakina and Sioux Lookout section on the one hand and the Sault Ste. Marie, Fort William, Port Arthur and Kenora on the other.

I have in my hand the report of the dominion director of unemployment relief, which shows on page 39 that the sum of $5,250,000 was spent on the trans-Canada highway. The wording of this report would lead one to believe that the route of this highway has been decided upon, at least through northern Ontario. This highway is of national importance because the nine provinces of Canada are all interested in its routing, and they are directly interested in the raising of the money to carry on the construction. One of the largest and most expensive sections to be constructed is in northern Ontario, which, in fact, is the geographical centre of Canada. However, there exists a problem in connection with this section of the country which as yet has not been solved.

During the emergency session of 1930, I made the statement that the provincial government tried to wash its hands of the routing of this road. At that time the then Premier of Ontario, the present High Commissioner for Canada, the Hon. Mr. Ferguson, stated that the routing of the trans-Canada highway rested wholly with the federal authorities. I will not quote the exact words of Mr. Ferguson, but I know they were well received throughout the length and breadth of this country. Although I asked the Prime Minister if these words were true, I did not receive a definite answer until after the session of last year, when a statement was made in Calgary by the Prime Minister.

I read a very interesting article in Saturday Night, as well as in MacLean's Magazine, where it was stated that the country as a whole necessarily must take a hand in this matter so that a logical route could be chosen, less money spent and a smaller mileage constructed. Speaking in Calgary last year the Prime Minister said that the trans-Canada highway should go over the Ferguson highway. That was a definite statement and it was well received by every section of northern Ontario. The Minister of Labour (Mr. Gordon) issued a statement to the effect that it was the only logical route. In the light of these statements I am at a loss to understand why it is that millions of dollars have been spent on other sections of the highway apart from the Ferguson highway. I ask the government to give this committee this information which the people should receive before any further money is voted.

The provinces of Nova Scotia and New Brunswick have their own highway systems from the east to the west and the same applies to some extent to Quebec, although that province has no real direct communication with Ontario. In Ontario vast stretches of highway will have to be constructed in the northern sections in order to give direct communication between the east and the west. If my information is correct, the province of Manitoba has a highway system from the east to the west, and the same applies to the provinces of Alberta, Saskatchewan and British Columbia.

Will the government advise if a definite route through northern Ontario has been decided upon? One section of this country is represented by the Minister of Labour (Mr. Gordon), but the people of northern Ontario want to know if our section is not to be taken into consideration. May I repeat the statement made in Calgary by the Prime Minister, I believe on August 18, to the effect that the trans-Canada highway would be routed over the Ferguson highway, via North Bay, Cochrane and Hearst. My resolution was very reasonable in its demands. I asked the federal authorities to make its expenditures on this highway on a fifty-fifty basis; that is, if money was spent on the Sault Ste. Marie, Fort William, Port Arthur and Kenora route a similar amount would be spent on the northern section. I received many letters stating that this was the only logical solution of the problem, and I believe it is the duty of the Minister of Labour to see that the same consideration is given to our section of the province as has been given to the southern section.

The construction of a trans-Canada highway is considered to be absolutely necessary. This

work has been carried on not only to relieve unemployment but to create a link between the east and the west. During the last general election, whether Liberal or Conservative, we were as one on this question, we felt that this highway should follow the course of the Ferguson highway via North Bay, Haileybury, Cochrane and Hearst to the Manitoba border. Immediately this government came into power some dilly-dallying took place, and an attempt was made to unload the responsibilities upon the shoulders of the provincial government. I have referred already to the statement of the former Premier of Ontario to the effect that the whole responsibility rested upon this administration. The following year the provincial government stated it was sending out surveying parties and aeroplanes to study the ground in order to decide upon a suitable route but so far no definite reply has been given by this government to the provincial government.

It must be admitted that the Prime Minister has many difficulties with which to contend, but he always faces them very squarely and I do not understand why he has not taken a hand in this matter. We have the spectacle of two sections of northern Ontario being opposed to the construction of this highway along certain routes. More money has been spent on this highway for unemployment relief in the southern part of northern Ontario than has been spent in the northern part. It is true that as far as the Ferguson highway is concerned many fine bridges have been built and many stretches of road have been straightened, but nothing has been done west or south of the town of Hearst. Apparently we are fighting a losing battle as far as the trans-Canada highway is concerned. I mean literally what I say, but I have sufficient confidence and faith in the ability and capacity of the present Minister of Labour who represents northern Ontario, to believe he will see that the people in our section are given a fair show. I do not want to believe anything will be done on account of political expediency, or that the provincial government will favour the southern section of northern Ontario because it has a larger population than we have. Within the last ten years the agricultural population in my constituency has increased over 800 per cent, and within the short period of fifteen or twenty years we shall have a larger population in the northern than they have in the southern portion of northern Ontario. Therefore I do not want to believe that any action will be taken on account of political expediency. I hope and trust that the present administration, because they are defraying fifty per cent of the cost of the trans-Canada highway construction, will, if possible, decide now, before any more money is voted for such construction, where the road should run. We want to be logical; we do not want to hog the whole thing, but we know what the people are thinking in other sections and we know on account of their larger population they are better organized than we are. The basis of a larger population should not signify anything to the present government; they should be willing to give us what is coming to us. We do not want any special favours; we want just what is our due. I have already done a lot of work for the solution of that important problem.

Further, accompanied by a very strong delegation from the constituency of Labelle, including the hon. member representing it, I had an interview with the Premier of Quebec asking for direct communication between the city of Montreal and the Cochrane district on towards Hearst, thereby saving at least 200 miles. There were with me at the time several members of the Quebec legislature, and I had also the support of an influential gentleman from Montreal who thought this was the most practical and feasible route.

One thing that surprised me in the discussion on the routing of the transcontinental highway is that the only section that seems to be directly interested is the northern section of northern Ontario. Saturday Night and other influential papers in Toronto have said that the whole of Canada should take a hand in the routing of the trans-Canada highway in Nippissing and northern Ontario. I am sorry that so far no influential bodies of men in Canada outside of those in northern Ontario have taken an interest in the question. I hope from now on everybody will be interested and realize that on account of the enormous sums taken out of the public treasury for this work, he has a direct interest in such a construction.

I have stated that at present the province of Quebec has no direct communication with the trans-Canada highway in order to reach Manitoba or the Pacific coast; in order to do so people from Quebec will have to travel by the Montreal-Ottawa road to Ottawa, then on to North Bay and thence northwards towards Cochrane, or go around the north shore of lake Superior. On the other hand, the natural route, the one which should be taken so far as Quebec and the maritimes are concerned, is one that will give access by Mont Laurier to Senneterre.

In the Cochrane district to the Quebec border, there are only fifty miles of a link to

construct. In Quebec there are hundreds of miles of good provincial highways built by that province, and there is only a link of not more than 150 miles north of Maniwaki to give direct communication to the northern section of northern Ontario. So I repeat that all the provinces should be interested. Once the thing is an accomplished fact—and the undertaking will cost more than it should if the routing is not logical—it will be too late to criticize. This is the time to consider the situation not in a parochial or regional but in a national way. That is why I should like to see a general discussion of the whole matter by all the representatives of all the provinces, because I repeat that we are all directly interested in such an undertaking.

I have no quarrel with the southern section of northern Ontario. Their battle is their own. If they can show they have a better case than we have; if they can show the provincial or federal government that the road should be constructed through their section, all well and good. But then it becomes a local matter whereas the construction of such a road is not a local but a national question. As regards the routing of the trans-Canada highway even in northern Ontario, the provincial assemblies should be consulted; every province in this confederation should have an interest in such a matter. Perhaps some will say that it is now too late in the game for this. It is not too late, because it will take five, six or ten years more before the trans-Canada highway in northern Ontario is finally completed. There are questions of cost, of the country it will traverse, of mileage, of where it should go, of what would be the best routing so far as tourists are concerned. One argument advanced by the good people of the southern section of northern Ontario was that the highway should be constructed closer to the United States border so that more tourists from there might be attracted. That argument, however, will not stand the light of day, because we are building a road, not for the people of the United States, but for those of Canada. In this regard we should apply the Canada first policy. I repeat: The most logical, the most economical and the proper routing of that road is in the northern section of northern Ontario.

Last summer in Calgary the Prime Minister put the situation very well. I have not before me the newspaper reports of his observations, but I believe he said that the road should go via North Bay over the Ferguson highway—he omitted the name of Cochrane —but mentioned Hearst; but at the same time the Ferguson highway takes in the towns of Cochrane and Haileybury. I was delighted at the words of the Prime Minister, because he gave the impression, at least in our section of the country, that he was fully aware of the geographical and physical situation. I was also highly pleased at the comment made a day or two afterwards by the present Minister of Labour when he gave an interview which appeared in the Ottawa Journal, saying that he was delighted at the words of the Prime Minister; that the Ferguson highway was the logical routing for the trans-Canada highway. But a few days afterwards we had very strong protests from Fort William, Port Arthur and, more particularly, Sault Ste. Marie. We then had the Premier of Ontario saying that no decision had been reached; his statement was almost to the effect that the Prime Minister of Canada had no right to make such an assertion; that the routing had not yet been decided. As a representative of the northern section of northern Ontario I began to believe that the people of the southern section of northern Ontario being greater in number than we are in the northern section, regardless of what the cost or mileage will be, the routing would be through the southern section and apparently, by the estimate that I have in my hand, millions of dollars have already been spent in the southern section. I am mentioning these facts not for political advancement nor for any other political purpose, but that the Canadian people may be fully aware of the situation, and that the problem, which is not local but national in importance, may be dealt with in a national way. If I had the time I would read to the house some comments made in regard to the matter by some independent newspapers. They give statistics and prove by facts that the most economical and the shortest route would be in my section.

Some people have said that we have no population yet. I stated a few minutes ago that our population had within recent years increased 800 per cent, and I think I am not going too far in prophesying that within twenty years the Porcupine, the James bay and Hudson bay district on the Ontario side will have an increase of 10,000 or more prosperous homes. The same thing will apply to the Kapuskasing district. There is bound to be an improvement in the mining and agricultural districts in the north country. In north and south Timiskaming we have what is known as the clay belt, and in my view it would maintain at least a million more population. We have other areas which hold potential resources.

To show what people think of our section of the country may I say that during last summer, while at a point beyond Kapuskasing, I met a party of four cars from the city of Toronto. May I add that we have very few tourist parties from Toronto, and very few business men from the southern section of the province. I asked them what they thought of the north country. They had visited Hearst, Kapuskasing and Haileybury, Cochrane, Timmins, and Iroquois Falls. All the members in the party told me that they were astonished at what they had seen, and at the potential wealth and possible future of the country, which was a revelation to them. They promised to become missionaries among their friends, and to recommend vacationing in the north section of the country.

While in North Bay I was approached and told that I should not go into the north section of the country because the roads were not good. My answer is that the Ferguson highway is as good a gravel road as there is in Canada. If any tourist will visit the north section of the province of Ontario they will be well satisfied with the road. No doubt a road along the shore of lake Superior would have wonderful scenic attractions but not more so than in the northern section. We know that its cost would be prohibitive. Ten to fifteen years would be required for construction. On that score alone the people in my district should be given the consideration they deserve. It may be that the premier of the province of Ontario has decided on a certain route which he thinks would give satisfaction to the majority of the people of northern Ontario. Unfortunately I have very little accurate information before me about the actual routing of the road. I do know however that millions of dollars have been spent on the trans-Canada highway in all sections but the one from which I come, and I believe it is my duty at this time to ask the present administration to let me know the exact situation in the matter.

It is not my intention to take up further the time of the committee. I could carry on for a long time, and give reasons why the highway should be constructed along the northern section of the province. I must say that I believe the newspapers have been fair, and have given both sides of the question. I take this opportunity of appealing to the Prime Minister, and to the Minister of Labour, who has boasted, and rightly so, of his love for the north country, to take the part of our section of the country, and see that we receive from the federal and provincial authorities that to which we are entitled. We have no quarrel with any section or area in northern Ontario; we want all sections to profit. We are of the opinion, however, that any government, whether it be provincial or federal, should not forget a section of the country which in the future will support ten times its present population. The truth is that at the present time we have not the representation enjoyed by other sections of the dominion, but with the increased population we are sure to have we must necessarily be heard.

During the last session of parliament a statement appeared in the Northern Tribune to the effect that Hon. Mr. Finlayson, speaking at the town of Kapuskasing, had said that in conjunction with federal authorities three parties of surveyors were looking after the routing of the highway. I was voted down when I tried to get information from this government in that connection. I believe our case should be heard before either provincial or federal authorities. I know the present Minister of Labour made the building of the trans-Canada highway one of his political platforms, and I did the same. We are all one, so far as the building of the highway through northern Ontario is concerned. Our section of the country must not be forgotten; it cannot be left out. It is a new section, and the northern route offers the shortest way of crossing the northern part of Ontario. Moreover, a road through that north country would be a revelation to the people who would have the good fortune of travelling over it. Is it too much to ask for a definite answer on this matter from the government.

Mr. REID: Mr. Chairman, I had not intended at this time to enter into a discussion regarding the affairs of Burnaby. However, the Prime Minister has made statements which I cannot allow to remain unchallenged. Either those statements must have been made because of the ignorance of the Prime Minister, or on the other hand, previous statements made by the Minister of Labour are grossly untrue. On February 10 the matter to which I am about to refer was brought before the house, and for the benefit of hon. members and the special benefit of the Prime Minister I shall read the statement made by the Minister of Labour on that occasion as to why municipalities could not receive their money. I think before I have finished I will prove to the committee that I had nothing whatever to do with the stopping of payments. The

Minister of Labour is reported in Hansard of February 10, 1932, at page 88, as follows:

That, shortly, is the position in so far as the Dominion government is concerned.

He is speaking of the fact that they had sent out $3,371,664.69 to assist the province of British Columbia to take care of New York maturities, and had advanced the sum of $2,300,000 against works for unemployment relief purposes in that province. In addition to that, during the course of the week in which the minister addressed the house a further $225,000 had been advanced to the provincial authorities in order that they might carry on their work in connection with their camps. Then, continuing his final statement, he said:

I am not in possession of the particular facts with respect to the district of Burnaby to which the hon. member has referred, but the federal government has not only carried out its agreement to the full with British Columbia, but made these payments to that province far in advance of the receipt of the necessary vouchers to equate them. I think I can assure the hon. member for New Westminster (Mr. Reid) that in spite of his anxiety with respect to the locality to which he has made reference, matters are proceeding out there, particularly in the last month or six weeks, in such a way that I anticipate no great difficulty.

According to the report of Mr. Hereford, those statements are borne out, because we find that loans were made first of all to cover the dominion's share of moneys on approved public works. That was to an amount of $500,000 in one instance, and $800,000 in another. The Minister of Labour has stated to me that there was an understanding when the money was sent that it was to take care of all accounts rendered by the province of British Columbia. As he himself has said, however, British Columbia has seen fit to take the exact wording of the order in council, and has hidden behind the excuse that no money was sent to pay the dominion's share. That is the controversy which has been going on from time to time since the beginning of January, and it remains unsettled. Only a short time ago, in an interview with the Minister of Labour, an understanding was reached that money would be sent out on the authority of an order in council passed on March 2 to take care of the dominion's proportion of municipal relief expenditures. It would seem that on February 10, $2,300,000 had been sent to British Columbia against relief works. I ask the Prime Minister, when he knew there was controversy, and that the banks were refusing the credit of municipalities, and that merchants would not accept relief cheques, why he did not see fit to send further money? It was on the tenth of February that I brought this to the notice of the house. Why was not the money sent? Only last week I received a copy of a telegram sent to the Minister of Finance by the provincial government informing him that they had some two or three hundred thousand dollars left over from the money so sent, and stating that if they received authority from the government they would pay the dominion proportion of the municipality's account. The Minister of Finance informs me that such a telegram was sent by him, and that he could not see any reason why the provincial government should not pay the account. But in spite of all that we have the Prime Minister getting up and pointing his finger at the opposition and saying I was stopping payment of the money due to the municipality of Burnaby. Why did not the Dominion government send that money, or see that it was sent, when the serious condition of affairs at Burnaby was brought to their attention? I would also ask the Prime Minister now: Will he now send a telegram to the British Columbia government to use that surplus money for the dominion's proportion of the municipality's expenditure? I am glad in a way that this question has been brought up by the Prime Minister, because the municipalities may yet get the moneys owing. I am not particularly interested in who is to blame, but I am disgusted that the buck has been passed to and fro so long. Again I ask this quesetion: Will the Prime Minister send a telegram to the British Columbia government authorizing them to pay the accounts out of the $200,000?

Mr. BENNETT: The Prime Minister will not send a telegram to the government of British Columbia telling them how to do their business.

Mr. REID: They have asked for it.

Mr. BENNETT: He will, as soon as the house passes the legislation now before it, pass an order in council to forward to the government of British Columbia the moneys they may be entitled to receive. A cheque for $500,000 has been outstanding since the second of March. It has been so frequently referred to in this house that I want again to mention it. That cheque will also be sent.

Mr. REID: In view of the explanation, why did not the Prime Minister intervene on February 10—not March 2—to see that the money was sent? On that occasion I directed

the attention of the house to the fact that the municipality of Burnaby could not get any money from the provincial government, atlhough over $1,800,000 had been sent to them by the federal government.

Mr. BENNETT: I suppose the hon. gentleman realizes that we have no contract with the municipalities. We have stated that so frequently that I thought it was well understood. Neither the municipality of Burnaby nor any other municipality had any relations with a federal government. Our contract was with the province. As between the province and the municipality, we were neither a court of justice nor an arbitrator.

Mr. REID: I can assure the Prime Minister that I think I have done a little service to the municipalities of British Columbia by bringing the matter to his attention. I hope the bill will pass. But the Minister of Finance was sent a telegram the other day by the government of British Columbia, as I have stated, and he said that there was no reason on earth why the province could not have paid the municipality's account. That is why I object to the Prime Minister saying I have stopped payment. Here is a telegram that I received to-day:

Deputy Minister of Finance, Victoria, says the dominion's share of the money spent is not in his hands.

That is what the Burnaby Board of Trade was told only the other day. I should like to ask the Minister of Finance if that is not correct, that on his own word to me he sent a telegram to the government of British Columbia saying there was no reason on earth why the money could not be paid. Yet we are being told we are stopping these payments, and still the province will not pay the municipalities.

I am glad to see the Minister of Railways (Mr. Manion) in his seat. I was disappointed that information was not given me regarding the Canadian National contract for railway ties. When the government passed the order in council for two million ties at a price not to exceed sixty-five cents each, it made some of us wonder, because certain of our contractors in British Columbia were told last fall that the Canadian National had ties on hand for two and a half or three years ahead. I should like the Minister of Railways to pay some attention to this.

Mr. POULIOT: May I give my hon. friend the information? One of the contractors is a strong Conservative.

Mr. REID: I received this letter the other day and I think some attention should be paid to it, because it would be interesting to know just what price was paid by the Canadian National Railways for the ties. This letter is not from one of my constituents, but from a man in Edmonton whom I do not know. I give that information in case it may be thought I prompted the writer. This is the letter:

March 16, 1932.

Dear Sir,—

Apropos the question raised by yourself in the house reference the purchasing of railway ties by the Canadian National Railways, I offer the following information concerning the workmen on the job.

I am not vouching for the authenticity of this information, but I think the statement is worth looking into. The writer continues:

Sixteen farmers, originally, cut ties for Canadian National Railways in the bush near Edson, Alberta. Each was to receive 8 cents per regulation tie. Each man paid one dollar daily for board. Towards the close most men broke even; two quit as they were getting in debt. One fellow cut 400 ties, an average of eighteen plus, daily. He ended up, after paying for axe handles, with $2.95 to his credit. From the men's viewpoint they would be better off in a city taking the dole. There must be many Canadian taxpayers like myself in British Columbia and Alberta who would feel that an answer to a straight question would be in the public interest. No wonder that there are 6,140 single unemployed on the relief list in Edmonton alone.

That is signed by A. C. Russell, who gives his address as 10555-93 street, Edmonton, Alberta. I hope the Minister of Railways will look into this, because if it is a fact that only eight cents was paid I think the writer is about correct when he says men would be better off taking the dole, for such remuneration is equivalent to slavery—and this government should be no party to slavery. I hope the Minister of Railways will obtain information from the Canadian National management as to who got the contract and what price was paid.

Mr. MANION: Mr. Chairman, I am glad my hon. friend has brought up the question of ties, because some rather wild statements have been made with respect to it, one of the wildest by the leader of the opposition (Mr. Mackenzie King).

Mr. REID: Not by me.

Mr. MANION: I am not speaking of the hon. gentleman. One of the wildest of those statements was made by the leader of the opposition. I was not in the house at the time, but I was startled to read this heading in the Montreal Gazette of March 18:

Grave charge made by head of opposition. Mackenzie King refers to railway tie deal. No tenders called.

The Montreal Gazette's Ottawa correspondent in his despatch, dated March 17, then deals with the statement. I am glad to explain the position. When the question was asked in the house by—

Mr. REID: It was asked by myself.

Mr. MANION: No, I think the question was asked by an hon. member before my hon. friend drew attention to it. I took the stand then that the railway management considered that the giving out of prices, names and so forth, in regard to tie contracts, as well as to other contracts, was not in the public interest. That was the attitude I took, and I must confess that I expected it to be accepted by the opposition, as it had been accepted on every occasion, so far as I know, when it was taken by the opposition when they were in power. So I was not prepared for the question at the moment.

Mr. LAPOINTE: It is not the same thing at all.

Mr. MANION: It is the same thing.

Mr. LAPOINTE: When the money is given the Canadian National surely there is no reason why the names should not be given.

Mr. MANION: Before I am done I will give all the information my hon. friend wants, and perhaps if the matter is pushed very far I could give a lot of information as to the way tie contracts were handled in the past. However, I made my explanation to the house and the opposition leader rather heatedly objected to that information not being given. I do not question his right to do so, but I made a statement at that time explaining that as far as ties were concerned the railway management had taken the attitude that they had sufficient ties, as is stated in that letter read by my hon. friend. But demands came from all over the country, from every province except Prince Edward Island, where they do not produce ties, pointing out that very little lumber was being cut throughout the country and asking that if possible we should influence the Canadian National management to purchase ties this year in order to give work to the different sections of the country where ties were cut normally.

I discussed the matter with the government and with the railway management. They adhered to the position that they had bought so many ties in previous years that they were overstocked, and due to their decreased earnings they did not require so many ties for replacement. For example, in 1929—rather a significant year—the management bought fourteen million ties. At all events, that was the attitude they took, and they adhered to the statement that they required no ties and that, if they bought any, we would have to pay for them. Different conferences were held, and in brief that was the position. I discussed the matter with the government; applications and representations were coming from every province of Canada except Prince Edward Island, and in view of these widespread demands, which I think were just because of the decreased cutting of timber throughout the country, the government finally decided to assist the railways in the purchase of a few ties. We discussed the matter with the railway management, and 65 cents was fixed as a maximum because that was about the average price paid last year.

Mr. McINTOSH: Is that for a No. 1 tie?

Mr. MANION: Yes.

Mr. LAPOINTE: Was that a loan or a grant to the railway?

Mr. MANION: If my hon. friend will permit me to do so I will explain that later. Therefore we passed an order in council, a copy of which I think has been laid on the table and a further copy of which I have before me, providing for an advance to the company of sufficient money to buy two million ties at a maximum figure of 65 cents per tie. We did not want the management to go above that average price of last year, but as a matter of fact they went considerably below it. Instead of spending the amount mentioned in the order in council, the $1,300,000 which represented two million ties at 65 cents, I do not expect that we will have to pay them more than from $900,000 to $1,000,000. They were able to cut the price very materially because of the decreased cost of everything. This is the point: They made their own price. We merely passed an order in council permitting them to buy two million ties in their own way, of which we were to pay the actual cost, and I am informed now that the actual cost will be at least $300,000 less than the amount provided by the order in council, which means a very marked decrease in price.

Mr. POULIOT: The ties must have shrunk.

Mr. MANION: Someone sitting near me has suggested that it would be a good idea if my hon. friend would shrink. However, the railway management then let the contracts for the ties, spreading them from coast to coast. My understanding is that the average num-

ber of ties secured from any individual is about five thousand, in round figures. I am just giving rough averages, but I am told that between three hundred and four hundred contracts were entered into, scattered from Nova Scotia to British Columbia.

Mr. VENIOT: Did they advertise and call for tenders?

Mr. MANION: No, they did not, but advertising for tenders for ties is very much misunderstood. It is true that in past years they advertised for tenders, but they never paid any attention to the prices set out in those tenders. In other words, after receiving tenders the two railway companies usually got together and fixed the price of ties, and they did exactly the same thing this time. They did not call for tenders, the reason being that last year they bought four million ties and when they called for tenders they got tenders for sixty million ties. So they thought that when they were buying so few ties this year they would simply spread them out, largely using the lists they used in the past, with the help of people writing in from various sections of the country. In brief that is what was done.

Mr. POWER: May I ask if they secured two million ties?

Mr. MANION: They have not secured the ties but the contracts have been let.

Mr. POWER: For two million ties?

Mr. MANION: Yes, roughly; a little less, I believe, but in round figures the contracts are for two million ties. The contracts were let just as they have been let in the past; they were let by the railway and prices were fixed by the railway without consultation with myself or any other member of the government. I did not know what the price would be until it was fixed. Frankly I do not mind admitting that, according to reports I have received from some sections of the country, some of those prices are so low that the people making the ties claim they will not make anything out of it. I am told that quite a number of the contractors have taken these small contracts for the purpose of keeping their plants in operation and a certain number of men employed. I have been given that information by a number of contractors who have written in to say that the prices are so low they cannot make anything on them.

Mr. POWER: Has the minister any idea of the average price in any given locality?

Mr. MANION: I think I have it here, and perhaps later I will be able to find it. I cannot give the exact figure, but I think it is very much lower than the price of last year. If my hon. friend will take the figure of two million ties and divide it into the amount of something under $1,000,000, he will get a rough average figure himself. It works out to something less than 50 cents a tie on the average.

In brief that is the story. The reason I could not give any further information than I did give was because all that I had in regard to the ties was the order in council, which already had been tabled, which stated that ultimately the Canadian National Railways would be paid up to $1,300,000 for the purchase of these ties. Probably there will be some other questions asked during the discussion and I will look through my papers and gladly give any further information my hon. friends desire. I might add that when we came into power in 1930 the railways told me they had on hand something over twelve million ties. They use something like six million a year, so they had a supply more than sufficient for two years.

Mr. POWER: Is six million ties the normal yearly consumption?

Mr. MANION: That is what they tell me, although they are using fewer now because the ties last about three times as long now that many are creosoted.

Mr. REID: If this statement is correct I think the spread between the eight cents mentioned and the fifty two cent figure should be looked into. I know there is the cost of taking them to the siding, loading them and so on, but the price of eight cents is very low.

Mr. MANION: I cannot imagine that any such figure was given, unless it happened in this way: Some contractor may have secured a contract for ties and sublet it. He has probably financed the man getting out the ties, and perhaps when the man has finished he will get eight cents out of each tie. But the idea of eight cents being given for ties is so ridiculous that any man who would take a contract at that figure would be fit for a lunatic asylum.

Mr. POWER: That is only for making them.

Mr. MANION: Eight cents is ridiculously low. The average is fifty cents, and no one would take a contract at eight cents.

Mr. REID: Twenty cents has been the price paid to men hewing them in the woods.

Mr. VENIOT: A fair average price under present conditions would be twelve or thirteen cents per tie.

Mr. MANION: That is, clear.

Mr. VENIOT: Yes.

Mr. MANION: I should like to justify further the attitude we have taken in this matter. After I had made the statement refusing to give the information, on the advice of the railways that it was not fair to them nor in the public interest to give that information, I had this question looked into and I found that the Hon. Mr. Robb had done exactly the same when in my position, as had also the Hon. Mr. Dunning.

Mr. MACKENZIE (Vancouver): But not under the unemployment relief act.

Mr. MANION: The conditions are exactly the same; the purchases were made by the railways, contracted for by them. So far as the railways are concerned, the conditions are exactly the same. We were giving the Canadian National Railways up to $1,300,000, and I am informed that the amount will probably be under $1,000,000. But so far as the refusal to give information is concerned, that refusal is based upon exactly the same grounds as in the past. I have here a memorandum with respect to the matter, which I shall put on the record:

On March 15, 1926, the late Hon. Mr. Robb, on behalf of the Minister of Railways, replied to a question by Mr. Donnelly, as to whether certain contracts for ties had been entered into with certain parties in New Brunswick, the number of ties, and also the price. Mr. Robb gave the information as to the contracts, and the number of ties contracted for, but as to price stated: "Not in the public interest to give information of this character."

That was the attitude I took. I believe that there were two questions, one by my hon. friend from New Westminster and one by the hon. member for Quebec South.

Mr. POWER: For some unaccountable reason the question was dropped from the order paper.

Mr. MANION: I had nothing to do with its being dropped from the order paper, but I presume the reason was that it was exactly the same as the question asked by the hon. member for New Westminster and which was voted down. I saw it myself and there was practically no difference between the two:

Similarly, on April 19, 1926, Hon. Mr. Dunning, as minister, replied to a question by Mr. Fraser as to tie purchases by Canadian National Railways in British Columbia. Mr. Dunning gave the number purchased, and the names of the parties supplying, but, in the matter of price, stated:

"It is not considered to be in the public interest to furnish this information."

On March 15, 1926, Hon. Mr. Robb, Acting Minister of Railways, dealt with the following question by Mr. Macdonald of Richmond—Hansard, 1530, 1926:

"1. What quantities and descriptions of material were bought for the use of the Canadian National Railways during the year 1925?

2. What portion of said goods were iron, steel or metal products and what textiles?

3. From whom were said goods purchased and at what prices?

4. What quantities of fuel and lubricating oils were purchased by the Canadian National Railways, where these purchased, what prices were paid, where was delivery made to the railways?

Hon. Mr. Robb: The Canadian National Railway board and management hold strongly that it is not in the public interest, and would be injurious to Canadian National Railways, to bring down information such as that sought by Mr. Macdonald, and having to do with the purchase of materials and supplies. Even were it a proper principle to adopt, it would be a matter of great difficulty and expense to compile such a statement. In addition, it is information which conceivably might result in increased prices of material and supplies, and consequent increased operating cost of the railway. It has been found that commercial houses and industrial organizations tendering on railway requirements hesitate to submit their best prices when there is likelihood of the same being divulged."

On the same page of Hansard, Mr. Johnstone asked for similar information as to coal purchases. Hon. Mr. Robb gave the names of the supplying companies, but as to the amount contracted for with each company, the price, and the tonnage actually taken, gave the following answer:

"2, 3 and 4. The management consider that it would not be in the public interest, would be injurious to National Railways, and an embarrassment in future negotiations to publish contracts, prices and deliveries, as called for by these questions."

Possibly these citations are sufficient to indicate the general attitude of the late government in regard to these matters.

Mr. VENIOT: There is a difference between the situation at that time and the situation to-day. At that time both railways were in competition in the purchase of ties, but in 1930 and 1931, owing to the depression, the railways got together and decided upon the same average price.

Mr. MANION: They have done so every year.

Mr. VENIOT: Not in 1925, 1926 and 1927.

Mr. MANION: I am informed that they did.

Mr. VENIOT: Then if they did, why did one railway more than another refuse to give the prices? It was not until 1930 that the two railways got together owing to depressed conditions.

Mr. MANION: I am informed differently. The management of the Canadian National Railways informed me that they have always done this, at least for some years, and certainly long before 1930.

Mr. LAPOINTE: There is a great difference between the two situations. With the position taken by the government and by its predecessor, that it would not be in the public interest that the Canadian National Railways should be compelled to divulge the prices paid for articles purchased by the railways in the ordinary course of administration, I entirely agree. It is a sound principle and I think it would be unfair to the Canadian National Railways if they were forced to divulge such prices. But surely that is not the situation to-day; the Canadian National Railways do not purchase these ties in the ordinary course of their operations. My hon. friend says that they were declining to buy any ties; they did not need any. They were given authority by this government to purchase these ties subject to the understanding that the government would pay for them out of the relief money provided for by this act. This is money which is voted by parliament, not by way of estimates but by special statute authorizing the government to spend certain sums for the purpose of relieving unemployment, and this committee has the right to have all the details precisely as if the money had been voted by an estimate. It cannot do any harm to the railways, nor can it give any advantage to their competitors. This is money given by the people of Canada to relieve unemployment, and surely we have the right to know how that money has been spent, who supplied the ties, and what prices were paid for them. Under the understanding given last session, the pledge given to parliament, we certainly have the right to request that all these particulars should be given the committee.

Mr. MANION: I do not see where the difference comes in. We have given information as regards what we have done or what we shall do with the money voted by parliament. We are giving certain money to the Canadian National Railways with which to buy ties, and they make their contracts exactly as they have done in the past. They make arrangements with dealers precisely as they have done heretofore and I know no reason why we should insist on their giving this year such details as they have refused to give in past years. So long as parliament knows that the money has been handed over to the Canadian National Railways, as it will know, unless there is a desire to attack the Canadian National Railways for the way in which they have spent it, there is no more reason for giving details this year than there was in the past. The hon. member for Quebec South asked a question in regard to the prices of ties. I am going to give the average prices paid in the past years, from 1923 on:

	Cents
1923	74
1924	79
1925	80
1926	76
1927	72
1928	78
1929	76
1930	75
1931	64
1932	52

The highest price paid was 80 cents, which was paid in 1925, and the lowest price paid between 1923 and 1932, a period of ten years, was the price paid this year. Surely it does not look as though there was anything to find fault with unless it is that the price is too low; certainly it has not been too high. May I add that private companies like the Canadian Pacific Railway Company are not asked to give the details as to the people with whom they make their contracts or as to the different companies with whom they deal, and I do not think the Canadian National Railways should be put in a different position.

Mr. POWER: As I understand the precedents cited a few moments ago by the minister, they were to the effect that the government had power to give the names of the persons who had dealt with the Canadian National Railways but had not the power to give the prices paid for the goods. Did I understand the minister correctly?

Mr. MANION: That is apparently what was done in the past; the names were given.

Mr. POWER: Will the hon. minister give the committee the names?

Mr. MANION: I have not the names before me; I will make inquiries and if I can obtain them I have no objection to giving this information to the committee.

Mr. VENIOT: The minister should have them.

Mr. MANION: That is not what was asked; we were asked to give the names and the prices and to furnish copies of the contracts.

Mr. MACKENZIE (Vancouver): I am very glad to see the Minister of Labour (Mr. Gordon) present for once in his seat. The Minister of Railways is confusing two entirely different issues.

Mr. HACKETT: The Minister of Labour is in his seat every day all the time.

Mr. MACKENZIE (Vancouver): One of these issues deals with the normal expenditure of certain moneys voted with regard to the Canadian National Railways. When certain criticism was made from this side of the house in connection with chapter 58, we were told that there were two different types of expenditure; there were expenditures directly under the control of the federal government, and there were expenditures under the joint control of the federal government and the various provincial governments. We asked specifically, not only last year but in 1930, that there should be control by the Auditor General of Canada over all funds, including those which are a direct national responsibility and those jointly controlled by the provinces and the dominion. The position was taken at that time by the Prime Minister, and possibly he was partly correct, that we had no authority to investigate the expenditures made by the provinces.

Mr. BENNETT: Beyond being satisfied that the money was actually expended. That is, if we had cause to suspect that it was not being spent, then we could investigate. I elaborated upon the matter at the time.

Mr. MACKENZIE (Vancouver): That is quite satisfactory for the sake of my argument. Apart from the discussion in connection with railway ties, I contend that the Auditor General should satisfy himself, through the officers of the Department of Labour, who administer this fund, that this money has been properly expended by the province of British Columbia or any other province for the purpose for which it was voted by parliament.

The vote of $1,300,000 made for the Canadian National Railways had nothing whatever to do with the previous customs of this parliament in regard to votes of money for the national railway. I recall the words of the Prime Minister uttered when this special act was passed in 1930. He said that this government accepted the responsibility for all expenditures. The other day the hon. member for New Westminster (Mr. Reid) asked the Minister of Railways for certain information in regard to the order in council which had been passed. Where did the authority for that order in council come from? It came from the clause in chapter 58 of the statutes of 1931 which deals with peace, order and good government. In other words, the minister derived a special authority from a special statute; under that special authority he passed a special order in council and under that special order in council a special expenditure was made. He now comes and tells this committee of the parliament of Canada that we are not entitled to the fullest information in regard to every single detail of that expenditure.

We have before us a very commendable document in the form of the report of the director of unemployment relief. This document gives a comprehensive analysis of all the expenditures made under the act of last year. Certain details are submitted for the information of hon. members who voted last year for chapter 58—some of us, of course, under compulsion—but I submit that we are entitled to receive the fullest information on all items. This report covers expenditures which were entirely national in character as well as those which were partly national and partly provincial. Details are given of special expenditures which were entirely national in character and with which the provinces were not concerned. The minister has stated that this item totalled less than a million dollars, but the order in council calls for two million ties at a cost not exceeding 65 cents each. I suggest that this committee is entitled to the fullest and most definite information in connection with this item. We are entitled to know the names of every single contractor for the supplying of ties to the Canadian National Railways. We are entitled to this information because this was a special act, passed under special conditions to deal with what the Prime Minister this afternoon has called a special emergency. We are entitled to know the names of the various station men who went out into the woods in the various provinces of Canada and—

Mr. BENNETT: The Canadian National Railways would not know that.

Mr. MACKENZIE (Vancouver): They should know it.

Mr. BENNETT: How?

Mr. McMILLAN (Huron): If the right hon. gentleman was a business man, would he not know? Is there an hon. member in this committee who, if he were a business man looking after his business, would not know?

Mr. BENNETT: After the Scottish interruption, the hon. member may proceed.

Mr. MACKENZIE (Vancouver): The Prime Minister has stated that the Canadian National Railways would not have this information. I suggest that when the Minister of Railways recommended to the executive council, under the special authority which he had received, the passage of an order in council calling for the expenditure of $1,300,000, it was his duty to instruct the Canadian National Railways that the government of Canada would be responsible to parliament for a complete determination of every single item in the expenditure. He should have instructed the Canadian National Railways that in regard to this special vote, made under special conditions to meet a special emergency, they would be held accountable to the Canadian government and the Canadian people for every single cent expended.

Mr. MANION: All expenditures for the Canadian National Railways are dealt with in exactly the same way. At present there is before the house a bill asking for $61,500,000, and in that connection we ask for no more details than we do in this.

Mr. MACKENZIE (Vancouver): That is different.

Mr. MANION: I do not see the difference. In connection with unemployment relief there has been passed to the Board of Railway Commissioners the sum of $500,000 for assistance in the construction of subways, and we have not the privilege of auditing that expenditure, unless for some special cause, so I understand. The same thing applies to various works in my hon. friend's province. This government has handed an immense amount of money to the province of British Columbia, which money is being dealt with by the province and by the municipalities, and we have no way quickly of auditing the expenditures. We get certified accounts. We handed over the money on the recommendation of the province, and we are in the same position in this regard.

Mr. MACKENZIE (Vancouver): I am on record in Hansard as having stated in 1930 that this government could have insisted upon having complete control. I am certain that not a single province in the face of a national emergency would have resented in the slightest degree the most complete and paramount control over all expenditures made by the federal government. In the second place, my hon. friend has entirely evaded—I do not suggest deliberately—the point of my argument. The expenditures made under the special statute of last year to meet a special emergency must be completely dissociated from the practices and customs of former years.

Mr. MANION: The expenditures to which I have just referred are under this act. As regards the subways, it is impossible to get all the details.

Mr. MACKENZIE (Vancouver): Then my argument applies in regard to subways as well as in regard to any other undertaking of the government under the Unemployment and Farm Relief Act. My argument is this: before we vote under this special statute to meet a special emergency any moneys for any enterprise—subways, Canadian National railways or any other body, including the provinces—we who are responsible here for federal expenditure demand a full, complete and rigid accounting of them. I still appeal to my hon. friend under this special condition to demand from the Canadian National Railways a full and complete report. They can easily, without violating any confidence or doing damage to the railways, disclose who the main contractors were. The main contractors can be corresponded with and they can supply the Canadian National Railways with complete information with regard to the various subcontractors. The subcontractors can be communicated with by the main contractors and the former can supply the information as to who the station men were. We can then find out the prices, spread, entire cost to the nation, and what the poor fellows for whose relief this act was designed, received for doing this work in connection with meeting a national emergency of unemployment.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock.

Mr. REID: Mr. Chairman, when the committee rose at six o'clock we were discussing the question of railway ties, and now that the Minister of Railways is in his seat I should like to ask one question. Would he have any objection if I were to ask the Canadian National Railways for information concerning ties, with special reference to prices and so on?

Mr. MANION: My hon. friend has as much right as I have to communicate with the Canadian National Railways, and so far as I am concerned he may go ahead and get all the information he can.

Mr. REID: I should like to ask a question of the Minister of Finance which arises out of the controversy which has taken place between the province of British Columbia and the Dominion government in connection with moneys which have been sent. Moneys were sent by the Dominon government presumably to take care of not only provincial works, or of dominion commitments in connection with provincial works, but also of municipal works. Orders in council were not very explicit regarding the dominion's share of the municipal expenditures. The provincial government has consistently taken the stand that the order in council did not specifically state that these moneys were for the dominion proportion of municipal expenditures. Up to date there has been a total of $1,800,000 sent to the province of British Columbia. That province has taken and maintained the stand that the money sent was sent as the dominion's proportion of provincial expenditures only, and that none of the $1,800,000 sent by the dominion is to pay for any of the dominion's proportion of municipal expenditures. The sum of $1,800,000 is more than the commitment or agreement entered into by the dominion government with the province of British Columbia to be expended on provincial public works projects. The total schedules of work submitted by the government of British Columbia in conjunction with the dominion government was $3,250,000, fifty per cent of which was payable by the Dominion government. The total figure for the municipal program was $2,749,963, fifty per cent of which was payable by the dominion, 25 per cent by the province and 25 per cent by the municipalities. Some of the moneys sent to the province were to help the financing of both municipal and provincial programs. However, the $1,800,000 sent by the dominion is to pay, so the province maintains, for provincial works only, although it was understood when the orders in council were passed—and I have this on the word of the Minister of Labour—that it was to take care of all expenditures and commitments, both provincial and municipal. The question I had intended to ask the Prime Minister, which I shall ask the Minister of Finance is: In view of the fact that more money has been paid to the province than the sum for which the Dominion government is obligated, what will the attitude of the government be now? The sum of $1,625,000 is the exact amount for which this government is committed, and they have thus sent $200,000 in which the municipalities are not allowed to participate.

Mr. RHODES: Speaking from memory and without the figures before me, I would say that up to the point where they were precluded from sending further money, after the first of March, the dominion had discharged its complete obligation to the province of British Columbia. There was a matter of $500,000 in question, because a question arose with respect to an order in council which could not be approved prior to March 1. I can only repeat what the Prime Minister said earlier to-day, namely that in all cases we have dealt with the province only. We have made advances to it apart from our own obligations arising out of our share of unemployment relief works. Those advances made by the province against the security of treasury bills were to be dealt with by the province as between themselves and the municipalities, without our direction or control in any respect whatsoever.

Mr. REID: Due to the fact that the Prime Minister said I was delaying payment, I wish to make this statement. To date the province of British Columbia has received over $200,000 more than the dominion's commitment for provincial expenditures, and yet the municipalities are being denied any portion of this.

Mr. RHODES: The money which was loaned by the dominion to the provinces against the security of their treasury notes was intended to be advanced against the province's obligation—and that would apply also to the province's advances to the municipalities. We dealt only with the province. The question is one which rests between the municipalities and the province.

Mr. REID: I am afraid the minister has not grasped my point. The Dominion government has sent $200,000 more than the total commitment. If the federal government were sending the whole amount owing the province it would send the sum of $1,625,000, because the provincial program totalled $3,250,000. Now there has been sent $1,800,000 for provincial accounts, a sum which is $200,000 beyond the amount sufficient to settle the whole account.

Mr. STEVENS: My hon. friend is twisted.

Mr. BENNETT: Yes, he is all wrong.

Mr. STEVENS: You are about three thousand miles out.

Mr. REID: Well, the minister will have a chance to tell us after I sit down.

Mr. STEVENS: I have been listening to my hon. friend's chatter for some time.

Mr. REID: There is another matter I should like to have cleared up. The figures I have given were supplied to me by the Minister of Labour, and if any hon. member doubts them I have a spare copy. They are also contained in the report of the dominion director of unemployment relief, and I state emphatically that the amount is $1,800,000. If my hon. friends turn to page 11 they will find that the dominion contribution to the province of British Columbia is $1,374,985.50. That is the total money the dominion will pay for all municipal works. Then in the next column we find the dominion expenditure for provincial works is $24,129.50, for provincial highways, $1,098,870.50, for trans-Canada highways, $502,000. If hon. members care to add these figures they will find that my statement is correct, and that the total program in the province of British Columbia is roughly $3,000,000, half of which is payable by the dominion, or the sum of about $1,600,000. Why, therefore, should $1,800,000 have been sent for provincial undertakings only?

Mr. BENNETT: The whole $3,000,000 had to be provided by the dominion.

Mr. REID: Yes.

Mr. BENNETT: So that the sum which British Columbia has received, $1,800,000, is still $1,200,000 short of what is required to enable British Columbia to discharge its obligations to the municipalities and provide for its own work. It is because they are unable to get the money that we were to loan them that they are in their present predicament. That is what I meant when I spoke to the hon. gentleman before.

Mr. REID: I still maintain the province have $200,000 more than is coming to them for their program of unemployment relief work.

Mr. STEVENS: No.

Mr. REID: Yes. They could easily have paid the municipalities because they have received plenty of money with which to pay. The reason the moneys have not been paid is known to nearly everybody in British Columbia. However, I shall leave that phase of the matter and address a few questions to the Minister of Public Works, in spite of the fact that the Prime Minister has said that we are delaying the progress of this bill. I am going to ask the Minister of Public Works regarding some expenditures under the direct relief program. I ask the minister for particulars concerning a building which was erected at Salmon Arm at a cost of $22,000.

Mr. STEWART (Leeds): At what page does my hon. friend find that item?

Mr. REID: At page 67 of the report of the dominion director of unemployment relief.

Mr. STEWART (Leeds): The building has not yet been constructed.

Mr. REID: Has it not been constructed?

Mr. STEWART (Leeds): No.

Mr. REID: But there is an appropriation made?

Mr. STEWART (Leeds): That public building was in the schedule of authorized works, but after investigation there was a decision not to undertake the work.

Mr. REID: Is there any intention to undertake it?

Mr. STEWART (Leeds): Not under the unemployment relief program; it will have to come in the regular estimates.

Mr. REID: I see there are many items for public buildings erected in Ontario. Have any of those buildings been constructed? I have a reason for asking these questions.

Mr. STEWART (Leeds): With the exception of a building in the city of Windsor upon which construction has begun, I do not think any public buildings have been constructed under the provisions of the Unemployment and Farm Relief Act. Other work consisted of repairs, alterations and improvements, which were undertaken because representations were made that carpenters, plumbers and other tradesmen needed work. To afford them some relief we made repairs to public buildings on a pretty generous scale. As my hon. friend will see, these repairs were made to public buildings throughout Ontario and the other provinces wherever we could do the work within the time.

Mr. REID: I am fairly well satisfied by the minister's answer, because when I wrote the department with respect to a post office at New Westminster I was informed that no new buildings would be undertaken under the Unemployment and Farm Relief Act. It is interesting to know we are all being treated in the same way. Yesterday afternoon the minister gave the house a letter, dated November 25, that was sent to all district engineers telling them that no applicants for employment should be discriminated against on political or religious grounds. Among the many projects which I submitted to the dominion director was one for work at White Rock amounting to $6,300. On hearing that

the work was under way I paid a visit to the district and found six men on the job—men who I knew were not actually destitute or in need of relief. The foreman told me he had received his position from the district engineer at New Westminster, Mr. Worsfold. I proceeded to New Westminster and asked Mr. Worsfold who had given him the names of those men on the ground that they required relief. After a little hesitation he told me the local Conservative committee had done so. When I pressed him he admitted that he had got the names from the defeated Conservative candidate who had secured them from the Conservative organization. I claim that is a direct breach of the Unemployment and Farm Relief Act. I know that in past times there have been such instances of party patronage on both sides, I am frank to admit that, but under this statute a man's religious or political convictions were not to be held against him in the granting of relief. Some men appealed to me for relief and I referred them to the local Conservative committee. When they went there they were told they were out of luck. The minister may ask why I did not write him at the time with regard to this irregularity. Directly I knew of it I appealed to Mr. McGeough, of Vancouver. He found my statements were correct and he objected to those men being put on the job, and towards the end the irregularity was rectified to some extent. Then the local branch of the Legion was given power to list men. I have absolute proof of what I say; I am not speaking from hearsay. I would ask that the minister investigate this matter, and if he finds what I have stated is not correct I shall be glad to make a retraction in this house.

Mr. STEWART (Leeds): In some way, directly or indirectly, it came to the attention of the department that there was some complaint in connection with this work. If I misunderstand my hon. friend I shall be very glad to be corrected, but I do not understand him to say that any of the men should not have been so employed. The report I have received is that the investigating officer went to my hon. friend and asked him to give the names of men to be put on this work, but he declined to do so.

Mr. REID: I certainly did. That is not my function, Mr. Chairman. I submit that it is not the duty of a member of parliament to furnish the names of men who should be given employment. Had I done so I would have been challenged in this house for giving the names of Liberals. I told the engineer, "It is your duty to go to the municipal authorities or to the municipal hall and find out what men are destitute and in need of employment." I take pride in saying that I did not suggest one name to him. I am glad to see that the minister has had some report, because the facts are exactly as I have stated them.

Mr. STEWART (Leeds): The facts are exactly as I have stated them, too. My hon. friend is now seeking to leave the impression that there was some political intrigue in connection with this work.

Mr. REID: I am not blaming the minister, I am blaming the district engineer.

Mr. STEWART (Leeds): The officer who employed the men engaged on this work acted perfectly fairly when he asked my hon. friend to nominate men. Surely there can be no complaint as to that?

Mr. REID: When I objected to the district engineer going to the local Conservative patronage committee to name men for the job I said to him, "You will hear more of this," and left his room. He ran out to me at the elevator and pleaded with me not to take any action.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Shall the section carry?

Mr. VENIOT: Mr. Chairman, before this bill passes I wish to refer to certain remarks made by the right hon. Prime Minister. If I caught his words correctly, he said that accounts on finished work in conjunction with the provinces and the municipalities had not been paid up to date by reason of the fact that this bill had not yet gone through this house.

Mr. BENNETT: That is so with respect to a large number of them.

Mr. VENIOT: It is not true of the county of Gloucester, nor is it true entirely of the province of New Brunswick, because the auditor of the provincial accounts has shown that at the end of the fiscal year of the province, October 31, there was somewhere around $170,000 of accounts submitted for payment with respect to work completed. The federal contribution of $7,500 for work done in the town of Bathurst had not been paid up to Easter, although the accounts were submitted some time ago. The information given the secretary treasurer of the town of Bathurst was to the effect that as soon as the order in council could be passed the Dominion government would forward the $7,500 to the provincial government, who in turn would forward it to the town of Bathurst. When I was home at

Easter I looked into this matter further and found that so far as they were aware in Bathurst no order in council had been passed authorizing payment of the $7,500, but the letter remains there stating that as soon as an order in council can be passed the account will be paid. That work was completed in the first week of December; the account was sent to the provincial authorities at Fredericton, who forwarded it to Ottawa, and the acknowledgment of its receipt is on file. But no payment has been made, so in connection with the county of Gloucester the statement made by the Prime Minister is not exactly correct.

Mr. BENNETT: I did not say it was true in every instance.

Mr. VENIOT: You said it was true in most instances.

Mr. BENNETT: That is not what I said, either.

Mr. VENIOT: The same thing applies to the entire province of New Brunswick. A question was asked in the house as to how much was still due the province of New Brunswick on work accomplished in connection with projects which had been approved, and I think the answer was $171,000. That amount was due long before March 1. Those accounts were not paid, though they could have been paid before the bill lapsed.

Then the Prime Minister referred to the statement I made in reference to the $58,000 unexpended by the Department of Public Works in connection with the Shippigan island wharf, and he said that I wished to make political capital of it. I should like to direct his attention to the words I actually used:

> I do not wish to imply that the approval of this work was made public for any effect it might have had in the by-election, but the fact is that this knowledge that it had been approved came up at the time.

I distinctly stated that I did not wish to leave the impression that politics was involved, and I said that because the matter came under the direction of the federal Department of Public Works and I felt, in view of the splendid treatment accorded me by the Minister of Public Works, that he would not allow Conservatives in the county of Gloucester to play politics in this regard.

Leaving aside the political point, the reason given as to why the work was not proceeded with was that the estimate was $30,000, the amount approved for the project was $15,000, and the work could not be completed before March 1, when chapter 58 lapsed. Let me ask the Prime Minister, as well as the Minister of Public Works, if that is so, why the work at Negro Point was proceeded with, in the province of New Brunswick. The estimate was $22,000; only $12,772 was spent, and the work is not completed. I direct attention to Burnt Church in Northumberland county; $20,000 was the estimate, $11,013 was spent to February 29, and the work has not been completed. Then there is North Sydney, where the estimate was $22,000, where $16,109 was spent, and where the work has not been completed. There is the immigration hospital in Quebec; the estimate was $12,000, the work has not been completed and $7,174 was expended. There is Haileybury, in Ontario, where the estimate was $67,000, where only $17,809 was spent to February 29, and where the work is not one-fourth completed. There is the dredging at Port Hope; $35,000 was the estimate, the work is not completed and only $23,968 has been spent. Take the national research building in Ottawa; the estimate was $40,000, of which only $12,262 has been spent, and I have reason to believe that the work is not one-half or one-quarter finished. Take Point Tupper wharf; $24,000 was the estimate, $16,787 was expended and the work is not completed. If the government say that these works are completed, what must we say about the estimates of the cost? If, on the other hand, matters can be carried on in that way in Ontario, Quebec and Nova Scotia, why could not the work to which I referred be begun last fall? After referring to these other items the excuse that the estimate was $30,000 and the work could not be completed before March 1 does not hold water, and I think an injustice has been done the county of Gloucester. When I heard the right hon. the Prime Minister give that reason I thought to myself that it was different from or perhaps in addition to, the reason given by the Minister of Public Works.

The Prime Minister must have thought that the reason given by the Minister of Public Works was not sufficient, but when I examined the report of the dominion director of unemployment relief I found that my section of New Brunswick certainly had not been treated in a just and proper way. I am almost driven to believe that this work was stopped for other reasons which have not been given us.

Mr. LAPOINTE: Shady reasons.

Mr. VENIOT: No, I would not use that expression; I would be told I was using unparliamentary language. There is enough shadiness in the atmosphere outside without bringing any into the house. I was surprised to hear the Minister of Labour heatedly make

the statement that not one concrete case of dissatisfaction with regard to the expenditure of relief money had been submitted to him. I do not know whether or not any case has been submitted to him directly, but I do know that in one instance twenty-one concrete cases of complaints were submitted to the Department of Labour and I know those complaints were received by the department. I hold in my hand five pages of closely typewritten foolscap containing complaints and charges. From my seat in this house, I say that I put my seat at stake to prove these charges.

Mr. PRICE: Will the hon. gentleman say by what authority he makes that statement?

Mr. VENIOT: I do not need to satisfy the hon. gentleman.

Mr. PRICE: You will need to before you get through.

Mr. VENIOT: I make this statement with regard to the charges I have made in this house, that I am prepared to stand by them, at least to the extent of ninety per cent, and to put my seat at stake.

Mr. PRICE: The statements are absolutely incorrect and I have the proof.

Mr. VENIOT: Oh, you don't know what you are talking about; sit down.

Mr. PRICE: I have the proof that they are absolutely incorrect. Is that good enough for you?

Mr. VENIOT: Now, sir—

Mr. BELL (Hamilton): What are the dates?

Mr. PRICE: The statements are absolute bunk and I have the proof right here. I have the proof from the Premier of the province of New Brunswick that your statements are absolutely incorrect. How do you like that?

Mr. VENIOT: I like the voice better than I like the man. I think nothing of the man; the voice is rather sweeter than the hon. gentleman. Now, sir, these statements were laid before the Department of Labour. But let me go back of the statement and remind the house that last session I read seven affidavits which set forth the padding of pay sheets.

Mr. PRICE: You have pulled this stuff long enough.

Some hon. MEMBERS: Sit down.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Order.

Mr. VENIOT: The hon. member for Westmorland has not the courage to deliver a speech. He has not done so since I have been occupying a seat in this house, at least not this session.

Mr. PRICE: Just speak the truth.

Mr. VENIOT: If he can make himself known to his constituents only by means of interruptions, I think it is your duty, Mr. Chairman, to call him down and make him keep his place. As I was saying, last session I read in this house seven affidavits with reference to the cutting out of work on unemployment relief through federal aid under the authority given in the month of September.

Mr. PRICE: And it has been well done.

Mr. VENIOT: Will the hon. gentleman keep quiet?

Mr. PRICE: It has been well done. You have more than is coming to you in Gloucester county.

Mr. VENIOT: I wonder whether my hon. friend from South Essex (Mr. Gott) has any more onions. He might send some over to the hon. gentleman.

Mr. GOTT: Hon. members opposite must all be hungry. The hon. member for Témiscouata has just cried out for steak, while the ex-Postmaster General seeks more onions—an excellent combination used extensively throughout the Dominion of Canada.

Some hon. MEMBERS: Sit down.

An hon. MEMBER: Onions and beefsteak go well together.

Mr. VENIOT: As I was saying, the affidavits in question were personally presented by me to the then acting Minister of Labour, now Minister of Labour, after I had read them in the house, and he refused to take them. He said he would have nothing whatever to do with them; he told me to keep them. He said, in effect, "You keep them and give me the devil to eat to-morrow on the floor of the house". I said I would keep the affidavits since he would not take them. What has resulted since that time? At that time I also stated that two of the men accused in these affidavits of padding pay sheets in connection with federal aid were then under investigation by the provincial government, accused of padding pay sheets for provincial work. The investigation has been completed and the royal commissioner has submitted his report to the local legislature. It appeared in the papers yesterday that the individuals against

whom the affidavits I read were made have been found guilty. One of them has been found guilty of stealing $4,000. That same individual had the expenditure of federal aid money and in the month of December, 1930, he returned a pay sheet to the provincial government for federal aid to the extent of $350, not one bit of work having been done for that amount of money. I read affidavits from men whose names were on that pay sheet for December, wherein they swear that they never did work and never saw cheques for the amounts opposite their names. Yet the minister stands up here and says that no concrete cases have been laid before him. The gentleman he sent down to the county of Gloucester to investigate did investigate some cases and he came back here and intimated that he would make no report on the cases he had investigated because they did not come under the federal aid but involved provincial money. The other night I proved from documentary evidence submitted to the legislature of New Brunswick that on every one of those roads I had mentioned in my complaint federal money had been expended; yet that gentleman reports to his minister that these works do not come under federal aid. I do not know where he got his information, but whoever gave it to him led him astray.

I am going to read some of the concrete cases I laid before the department. Here are the details of one in particular. The Blue Cove road is on the federal list which I read the other night. The Blue Cove road was reported by Mr. Carter not to have received any federal expenditures. The Minister of Public Works of New Brunswick, at the request of one of the members of the legislature, submitted the list I have here, giving the names of the roads on which federal money was expended, and this road is among them. Now what are the facts? The supervisor was one Omer Blanchard, a man living five miles away from the road, in another district; yet under the act it is stipulated that the work shall be carried on wherever possible by residents of the district. This man was taken from another district and brought in to do the work. This man refused work to Liberals —now this is political, this end of it—the day after the election; he said, "Not a damned Liberal will get work". He also refused certain men the right to sign their work slips. Incensed by the treatment given them by this supervisor, a number of men went to work in spite of him; but when told that they would not be paid they stopped working. In discussing the situation with the supervisor, some of the men to whom he had refused work because of their politics asked him why no such discrimination was made by him in the St. Leolin district, which is six miles further west. He replied that that district had given a majority to the Conservative candidate while Blue Cove had given a majority against him. Now Mr. Carter, the gentleman sent by the department to investigate upon my complaint, has in his possession the evidence of thirty men to prove that every word stated here is true. After seeing these men he called upon the supervisor. The supervisor, as he was alone with Mr. Carter, attempted to deny the statements of some thirty men. Now there is a concrete case for the department. They have the evidence obtained by Mr. Carter. Oh, it may be said, you have this merely from hearsay. I had that from the lips of Mr. Carter when he returned from Blue Cove after I had given him the names of the witnesses. Mr. Carter had in his note books the names of the gentlemen who had given him this information, and yet he refrains from submitting his report to this house.

There are other cases just as bad as this. There is a case in a certain district where the supervisor went to a man working on the roads two or three days before October 26, the by-election day, and said to him, "If you will vote for the Conservative candidate in the provincial by-election I will guarantee you $20 worth of work after the election." The man refused and said, "I cannot; I am a Liberal and I cannot support a Conservative candidate." This man got off the day of the election in order to vote and when he came back to work the next day he was discharged. There is no hearsay about these statements; this man has made an affidavit and is prepared to swear to it in any court of justice.

There is another case down at Shippigan island. An individual wanted to get work but was turned down because he was a Liberal. He went to work in spite of this refusal but at midday of the second day the foreman came to him and showed him a letter signed by the defeated Conservative candidate in the provincial elections of 1930 stating that if he continued to work he would receive no pay.

I want to be fair with these things. I am not blaming the Department of Labour for what has taken place, but I do say that when these things were discovered, when they were reported by me as being true on my word of honour as a member of this house, they should have been investigated to the full. But this was not done and that is why I blame the department. Whose word was taken for the statement that this was not federal aid, I do not know. I repeat, and

I cannot repeat it too often, that the men in Gloucester county who were under the control of the provincial Department of Public Works used the federal aid money as a campaign fund and political machine. I will ask the Minister of Labour—

Mr. LAPOINTE: He is not here.

Mr. VENIOT: It will reach him—let him read Hansard to-morrow. I will ask the Minister of Labour, now that he has the evidence that federal aid was expended on these roads, that he obtain from Mr. Carter his reports on the old Miramichi road, on the Blue Cove road, on the Bennie Petre road, the south Bathurst and other roads. I was going to refer also to the roads north and south of the Tracadie river, but Mr. Carter reports that he saw only one individual and he was not able to obtain any information. In these cases where he was not able to obtain sufficient evidence the minister should have him return and make a further attempt, but the evidence already obtained should be reported to this house. If that is done it will be seen that it bears out what I have said to-day.

Take the cases of the old Miramichi road or the east Bathurst road, so-called, which Mr. Carter said was not under federal aid. This project is under federal aid, because the provincial Minister of Public Works has stated that practically $14,000 of federal aid was expended as compared to only $5,000 of provincial aid. This was the reply made in the legislature of New Brunswick. Mr. Carter had my report in which I stated that the men who were on the pay-roll on October 26 had not worked. I suggested to him that he look into this matter, and he did so. He found out that there were men on the pay-roll on October 26 who had not worked. He went to the chief timekeeper who told him he could not understand how it was. The chief timekeeper's name is also on that pay-roll, and he stood all day at the polls corralling the men off the road and keeping them there all day in order to vote. Yet he does not understand how it was they were not working. He sent Mr. Carter to a young school boy of seventeen years of age who was acting as assistant timekeeper. This boy told Mr. Carter that he had put the names of these men who had not worked upon the pay-roll under the instructions of his father and William Gallagher. Is it true that these pay-rolls are padded? Replying on March 22, as reported in the St. John Telegraph-Journal, to a statement made by me in this house on February 8, the provincial Minister of Public Works stated that while it was true a number of men had been on the pay-roll on October 26, when it was discovered that they had not worked their names were erased. This goes to prove the statements I made to the Department of Labour, at least in that respect. It goes to prove also that those who had charge of the work—I do not know whether they received instructions from the provincial department or from anybody else—did not hesitate for a moment to use federal money as a campaign fund. Is it any wonder I take such a strong stand against allowing the provincial department to handle this money any longer when the Minister of Public Works has had three or four of the supervisors in his own county of Restigouche reported upon by a royal commission as having stolen some $7,960 of the public moneys expended on the roads in that county?

I take this matter up to-night in order to justify the position I took on March 8. At that time I referred to the expenditure of money in the county of St. John and stated that much of the money had been expended before the projects had been approved. I stated further that the projects approved between November, 1930, and March, 1931, and those approved on November 25, 1931,—I was then referring to the first project—had been held over until the by-election took place. If I am not mistaken, the projects in the county of St. John were approved of in February, 1931, and some of the money was expended. Everybody in New Brunswick admits that at that time unemployment was very acute in the county of St. John, and especially in the parishes of Simonds and Lancaster, yet $7,300 of that money was withheld and not expended until June, the month of the St. John county by-election, which took place on June 29, 1931. I have, from the pay sheets of the New Brunswick Department of Public Works, direct evidence of that expenditure of $7,300 being upheld until June.

I further stated that large amounts of money were expended before the projects were submitted to the Department of Labour, and I have the proof of that from the pay sheets of the New Brunswick Department of Public Works. In September, 1931, they spent $13,168; in October, $17,093; in November, $7,863, and yet the projects were not approved until November 26. Therefore in that respect I have substantiated the statement I made on the floor of the house.

I wish to go back to the expenditures made in the county of Gloucester. There has been submitted by the New Brunswick Department of Public Works to the provincial legislature,

expenditures under federal aid amounting to some $26,000 or $27,000 more than the amount involved in the projects approved by the Department of Labour. How in the face of this can the provincial government continue spending still further beyond the amount involved in the projects so approved? Under those conditions, with the knowledge I have of the loose way in which this money has been expended in my province, might I be permitted to say to the Minister of Labour that, if the government will not change its methods of expending that money in the provinces, he have an official of his department examine very carefully the projects submitted before one dollar is spent, and that, if the accounts submitted to the New Brunswick legislature show that there was expended under federal aid by them $26,000 more than is involved in the projects approved, the provincial government be called upon to reimburse that amount to the federal exchequer.

There are other matters to which I should like to refer, but I do not wish to delay at any greater length the passing of this measure through committee. We have been accused of obstruction. May I say to the Prime Minister and his followers that as regards my opposition to this measure, obstruction has been furthest from my mind; but if my hon. friends opposite wish to issue the challenge to us and go to the country on it, we are prepared to meet them and to take our chances then. We have endeavoured to enlighten the people of Canada as to the manner in which the federal government is attempting to usurp the powers that belong to parliament and to parliament alone.

If I may judge from what I have heard said by those whom I have met during the Easter holidays, Conservatives as well as Liberals, they contend that the government has gone too far in usurping those powers; that apparently it mistrusts parliament; that it wishes to have in its own hands the carrying out of matters under this act. Some years ago we heard of a "whisper of death;" now we hear a whisper going among the people, asking: What have the government in mind? Why are they adopting such drastic measures? Why do they wish to become absolute as a cabinet in carrying on relief work? Many of our Conservative friends are beginning to be anxious, suspicious.

Mr. JONES: We are not worried.

Mr. VENIOT: My hon. friend says: "We are not worried." I think he will have a greater worry than I when the time comes for us to explain our conduct to our electors. I suppose the hon. gentleman need not worry very much. He is one of those who has benefited by the reduced stumpage given by the government of New Brunswick.

Mr. JONES: That statement is absolutely incorrect and my hon. friend knows it.

Mr. VENIOT: The hon. gentleman says that is absolutely incorrect. Did he not cut on crown lands?

Mr. JONES: Not one stick, nor did I receive any benefit from anything I operated on my own private land.

Mr. VENIOT: I shall take the hon. gentleman's word for that, but let me say this, that the firm of Jones Brothers apparently is doing some business with the Department of Indian Affairs. My hon. friend will not deny that, and he will not deny that in 1926, before a court of disclosure, he swore that Jones Brothers was himself and himself alone.

Mr. JONES: I never made any such statement.

Mr. VENIOT: My hon. friend did.

An hon. MEMBER: Take it back.

Mr. VENIOT: I cannot take back what I said, because I have the record of the court.

Mr. JONES: The hon. member cannot produce any record that will verify his statement.

The CHAIRMAN (Mr. Hanson, York-Sunbury): The hon. member must accept the word of the hon. member for Royal.

Mr. VENIOT: The Chairman says that under the practice of the house I must accept the statement of the hon. member for Royal. I obey the practice, but I stand by the sworn statement given before the court by the hon. gentleman.

Mr. BENNETT: Surely the hon. gentleman should not be allowed to do this sort of thing.

Mr. VENIOT: I shall take back the statement I made, but I say that I have in my possession such a record, and I do not have to take that back.

Mr. QUINN: What about the pronouncement from Athabaska?

Mr. VENIOT: That is the first crowing I have heard since Athabaska spoke. I am sure other Conservative back benchers will not brag very much when they look at the record of the vote. It takes my hon. friend from down east—

Mr. QUINN: Yes, from Halifax.

Mr. VENIOT: Yes, it takes my hon. friend from Halifax to do the crowing for the Tories in Ontario and the west, because I am sure they were not encouraged to crow when they heard the results of that election.

Mr. QUINN: By the way, what was my hon. friend's majority down in Gloucester? Was it not only thirty-five?

Mr. MACKENZIE (Vancouver)): It was enough to bring him here.

Mr. VENIOT: Two hundred and fifty-one.

Mr. QUINN: Oh, no.

Mr. CANTLEY: No.

Mr. VENIOT: I hear the hon. member for Pictou crowing, my old friend from Pictou. I admire his constituency because I was brought up down there. Perhaps it is because of my relations with the Scotch people in Pictou that I am so chary about giving advice.

An hon. MEMBER: Tell us all about the post office.

Mr. QUINN: It is a long way from Gloucester to Pictou.

Mr. VENIOT: The people sent for me; that is more than they would do for you. Since the interruptions are growing I think I shall continue a little longer. I am giving an opportunity to some hon. gentlemen opposite to blow off some of the steam which formed at the time of the Athabaska election.

An hon. MEMBER: Better steam than hot air.

Mr. VENIOT: I do not hear any bragging, with the exception of the hon. member for Halifax. Of course he lives away down by the sea, and when he comes to Ottawa and is free from the foggy atmosphere—

Mr. QUINN: Very good.

Mr. VENIOT: When he finds himself in the clear atmosphere of the Gatineau he wants to toot his horn. Without being discourteous to the people of Halifax may I say that owing to the fog so prevalent in that district, and which condition applies also to St. John, they have become used to the blowing of the fog whistle. Then, when they find themselves in a clear atmosphere they are lonesome, and in order to remind themselves of home they blow their own horns.

Mr. QUINN: You are a pretty good fog horn.

Mr. VENIOT: That is all I have to say just now.

Mr. PRICE: Mr. Chairman, I should like to have the floor for a few moments. I am very much concerned with my hon. friends opposite who have been doing so much talking, and I feel inclined to say a few words to them. First may I tell them that through their debate on the relief measures they are holding up both the house and the country. The present administration has done everything possible to better the unemployment situation in Canada. The legislation passed by this government has tended to improve that unfortunate condition, and there has been an honest endeavour to alleviate suffering.

Hon. members opposite have criticized the administration; that is their duty. Help yourselves; this administration will survive, and when the next opportunity arrives it will carry the country. People in Canada have too much common sense to listen to the objections of hon. members opposite. The opposition have nothing to offer; they have been obstructing in every possible way, shape and form.

At this point I should like to take my old friend from Gloucester (Mr. Veniot) to task. He has made some comments concerning remarks by the Premier of New Brunswick. Turning to page 944 of Hansard for the current session I find that the hon. member for Gloucester told in flowery language what the Premier of New Brunswick had said. When the hon. member made the statement on March 8 of this year I took objection, and stated I did not believe the hon. member's statement was correct. I feel there is no occasion to hurry, because hon. members will agree I have taken very little time in the debates of this house. I quote from the remarks of the hon. member for Gloucester, in which he sets forth statements by the Premier of New Brunswick:

He said. "Not a single Liberal will have any part of this unemployment work. It is Doctor Coffyn"—

Spelled C-o-f-f-y-n.

—who was the provincial government candidate —"that will look after it and not P. J. Veniot."

That partisanship was carried on throughout the length and breadth of the county of Gloucester. There was a by-election in that county; the premier of New Brunswick addressed a public meeting in the town of Bathurst on the Friday night before the election and said:

And at this point I wish to explain that what I am about to read are remarks attributed to the Premier of New Brunswick by the hon. member for Gloucester.

We do not want Doctor Coffyn elected in Gloucester because we need his vote to maintain the government in power. We want him elected so that he will have reason to do something big for Gloucester county along the lines of the unemployment relief aid to be given by the federal government and the province of New Brunswick.

There was a bribe held out to the electors of that county; they were told that unless Doctor Coffyn was elected, unless they returned a man who was favourable to the government, the government would measure the relief to be doled out in Gloucester county by the actions of the electors on polling day.

Now, to go a little further:

Mr. Price: I don't believe the premier ever made such a statement.

Now the hon. member for Gloucester:

Mr. Veniot: And I know you would say, if he did make it, that he had no right to make it, wouldn't you?

Mr. Price: I would simply say just now that he didn't make it.

Mr. Veniot: He did make it. The hon. gentleman has no right under the rules of the house to question my veracity.

Now, then, Mr. Chairman, we will just get after his veracity. It has been the privilege in days gone by for the hon. member for Gloucester to make statements in the provincial house, and as he waved papers to declare "I hold the records right here in my hand." But the records did not amount to anything. And he did not have anything of record when he made that statement on the floor of this house. I wish to tell the hon. member for Gloucester that I have communicated with the hon. Premier of New Brunswick. I want it to be clearly and distinctly understood by this house that for future reference—

Some hon. MEMBERS: Hear, hear.

Mr. PRICE: All right. I want it to be clearly and distinctly understood that for future reference this is going on Hansard right now. At page 944 of Hansard the member for Gloucester is reported as follows:

There was a by-election in that county; the Premier of New Brunswick addressed a public meeting in the town of Bathurst on the Friday night before the election, and said:—

An hon. MEMBER: What about the letter?

Some hon. MEMBERS: What did he say?

Mr. PRICE: I do not wish to discuss what was done in the county of Gloucester, but if at any time a man ever had occasion to keep quiet it was the member for Gloucester in consideration of what had been done for his county by the present administration; the expenditures not only by this government but by the previous administration have been enormous. We on this side of the house supporting the present government have never criticized those expenditures because of the fact that the little province of New Brunswick was being benefited. I wish also to say to him at this time that so far as the expenditures at Aboujagan and Barachois are concerned, we are willing that they should be investigated, when we shall be able to show that Liberals as well as Conservatives have been given every consideration with respect to unemployment, and that the relief was distributed in a fair and well-measured way.

Mr. VENIOT: What are you kicking about, then?

An hon. MEMBER: What about the letter?

Mr. PRICE: Here is what the hon. Premier of New Brunswick, Mr. Richards, was supposed to have said. I am so delighted to see the hon. minister for Gloucester county in his seat—

Some hon. MEMBERS: Oh, oh.

Mr. PRICE: —for this is really funny. This is what was purported to have been said by the Premier of New Brunswick:

We do not want Doctor Coffyn elected in Gloucester because we need his vote to maintain the government in power.

Quite true; there is no doubt he made that statement, for he did not require Doctor Coffyn, having already a real working majority. But, according to the hon. member for Gloucester, this is what the premier said:

We want him elected so that we will have reason to do something big for Gloucester county along the lines of the unemployment relief aid to be given by the federal government and the province of New Brunswick.

Some hon. MEMBERS: Oh, oh.

Mr. PRICE: That is what the hon. member for Gloucester quoted, but let me tell him, he laughs best who laughs last. After quoting that statement the hon. member added:

There was a bribe held out to the electors of that county;—

And so forth. The Premier of New Brunswick has the confidence of the province from one end to the other, and I presume he will continue to have that confidence for some years to come. He is a very capable administrator and is conducting the affairs of the province in a business-like way. He writes to me:

The first sentence of the remarks which Mr. Veniot imputes to me is substantially correct;

What is the first sentence?

We do not want Doctor Coffyn elected in Gloucester because we need his vote to maintain the government in power.

Now, what did Premier Richards say? In his letter to me he continues:

The rest is altogether incorrect. I made no reference whatever to Dr. Coffyn in connection with unemployment relief work. I did say that Mr. Veniot was endeavouring to claim credit for the carrying on of relief work because he had been asked, in common with all members of the federal house, to make suggestions to the Minister of Labour; that I understood he was exhibiting this letter for the purpose of indicating to the electors that he was responsible for the obtaining and carrying on of the relief work. I pointed out that, on the other hand, the letter which he had was only the letter which had been sent to every member of the House of Commons and that, as a matter of fact, the administration of relief work in the provinces was within the jurisdiction of the provincial government; mentioning, at the same time, of course, that the Dominion government was contributing a certain proportion of the cost of such work,—twenty-five per cent in the cities and towns where the municipalities themselves were contributing, and forty or fifty per cent where the work was a provincial undertaking.

I may add that three other members of the provincial government were present at this meeting, seated on the platform during the time I was speaking; namely, Messrs. Stewart, Léger and Harrison. They confirm the statement which I make.

Now, I would advise the hon. member for Gloucester to be careful of his statements on the floor of this house. Let him be very careful of his facts before he goes ahead and makes remarks which are absolutely unreliable, remarks which I believe he knows are absolutely irresponsible, and which evidently are made only in an endeavour to injure this administration.

In conclusion I want to tell the hon. member for Gloucester and the hon. member for Quebec East (Mr. Lapointe) that when they again come into the county of Westmorland they had better be careful of the statements they make, because I have as much support from the French-Canadians as has the hon. member for Gloucester, and I want him to understand that nothing will be tolerated in my county unless based on facts; he cannot palm off that hearsay stuff in Westmorland. Right now the hon. member for Gloucester knows he dare not go to Aboujagan and Barachois, he dare not go to Cape Tormentine and Cape Bald, and repeat the statements he has made in this house, because the administration to-day is spending money to help the fishermen in the county of Westmorland —something which the previous administration never did. We are spending money judiciously and in the best interests of the people. I want to tell the hon. member that if he takes his friends and goes to the people of Westmorland county and does what he is doing at the present time hoping to help the Liberal party, his efforts will be absolutely futile. The hon. member has endeavoured to belittle the people of Westmorland county, the poor people in the fishing districts who are trying to get a few dollars to help them through the winter; he has endeavoured to show that improper expenditures have been made.

Mr. VENIOT: Never said a word about it.

Mr. PRICE: That will be the result if you do the same thing in the county of Westmorland.

Mr. VENIOT: I am not going to bother answering the tirade of the hon. member, but he purported to read a letter from the Premier of New Brunswick. As far as I could understand it, in that letter the premier denied having made a statement which I attributed to him. I wish to say here and now, Mr. Chairman, that I was present when the Premier of New Brunswick made that statement, and I can support what I am saying now by the testimony of two reporters who took verbatim accounts of his speech. Therefore I stand by what I said, in spite of the hon. member for Westmorland.

Mr. SANDERSON: I want to ask the Minister of Public Works just one or two questions in regard to some of the undertakings in Ontario. I think he mentioned a little earlier in the evening that no public buildings were constructed under the unemployment relief proposals. Is that correct?

Mr. STEWART (Leeds): I think that is correct.

Mr. SANDERSON: In ten or twelve places throughout the province repairs are being made or have been made to public buildings. Were tenders called for in each case?

Mr. STEWART (Leeds): Yes.

Mr. SANDERSON: Public tenders were called for in each instance?

Mr. STEWART (Leeds): Not public tenders. Those who were in the line of work required were invited to tender, not by public tender but according to the regularly established practice that has prevailed in the department for many years. Following that practice, the architect looks after the tenders secured in this way, in exactly the same way that was adopted by my predecessor.

Mr. SANDERSON: Then I take it that tenders were not advertised; is that right?

Mr. STEWART (Leeds): I think they were in some cases; I could not say offhand.

Mr. SANDERSON: When tenders were not advertised how did the department arrive at a decision as to who should carry on the work?

Mr. STEWART (Leeds): I have told my hon. friend that the course which has been followed for years was adopted in these cases. The architect in charge of maintenance would communicate with the different tradesmen in the particular town who were interested in that kind of work, and they would be asked to tender for the work. There might be some small expenditure where that course was not adopted, but we are carrying on with the same staff and following the same methods—and they are good methods—for getting this work done reasonably, efficiently, promptly and in the public interest.

Mr. SANDERSON: I quite understand what the minister says as to what was done formerly, but this work is being done under rather different circumstances. This is unemployment relief, and while the minister did not say so I presume he meant that the sitting member for the constituency, if he were a government supporter, recommended a certain firm or firms to do the work, and that where a Liberal member sat for the constituency the defeated candidate made the recommendation. Is that correct?

Mr. STEWART (Leeds): No, you are not absolutely right in that.

Mr. SANDERSON: Am I partly right?

Mr. STEWART (Leeds): I do not know whether you are or not because the architect is quite free to get tenders wherever he thinks proper and wherever he thinks he can get the best results.

Mr. SANDERSON: Is he an architect employed by the department or is he an outside architect?

Mr. STEWART (Leeds): He is an architect in the department in charge of maintenance work.

Mr. SANDERSON: I will put the question directly to the minister, and I will accept his word because I have a good deal of faith in him. He absolutely took precaution and care to keep politics out of the expenditure of unemployment relief money. Is that correct?

[Mr. H. A. Stewart.]

Mr. STEWART (Leeds): I would say that political considerations were not the dominating considerations in the administration of public relief.

Mr. SANDERSON: Was politics a factor to some extent?

Mr. STEWART (Leeds): I will say to my hon. friend that under equal considerations and with equal advantage to the public interest, if I can find a supporter of this government who will do the work for the price at which an opponent of the government will do it, the supporter of the government will get the work.

Mr. SANDERSON: Then I should like to direct another question to the minister. What does he mean by "equal considerations"?

Mr. STEWART (Leeds): I do not know that I should be subjected to cross-examination by my hon. friend, but I meant at equal cost to the public and with equally good results.

Mr. SANDERSON: The minister need not get sensitive. I want to tell him that if I desire to examine him or cross-examine him I am going to do so, and there is no reason why I should not. The minister has drawn that remark from me by his own attitude. I want to be courteous to the minister and I expect him to be courteous to me as a member of this house. If I desire to put certain questions to the minister I propose to do so, unless the chairman rules me out of order and says my questions are not proper.

Now I want to ask something further. I see in the report of the director of relief an amount of $67,000 authorized for the Haileybury breakwater and harbour for seaplanes. The amount expended to February 29, 1932, was $17,809.84, and I want to ask the minister if he called for tenders for that work.

Mr. STEWART (Leeds): No.

Mr. SANDERSON: In what way is the work being done?

Mr. STEWART (Leeds): The work is being done under the supervision of the district engineers and under the immediate supervision of foremen appointed to carry it out.

Mr. SANDERSON: I directed a question to the Minister of Public Works with reference to this item when the estimates were up two or three weeks ago, and I believe I asked him then who had recommended that this work be done. Was it by petition? Was it

from the town of Haileybury, or in what way was the work brought about? Was there a request for it, and if so, from whom?

Mr. STEWART (Leeds): The request came from more than one source. If I remember correctly, the member for that constituency received a letter similar to the one which my hon. friend must have received, asking for suggestions as to works that could be carried on with advantage to the constituency, and which at the same time would afford relief for unemployment. In that way the suggestion came in. I believe that the board of trade also, or the corporation of Haileybury itself, made similar representations.

Mr. SANDERSON: Then the minister did get a request from the board of trade of Haileybury.

Mr. STEWART (Leeds): Yes.

Mr. SANDERSON: Won't the minister be frank with me? Was it not at the request of his colleague, the Minister of Labour, that the work was gone on with in his own constituency?

Mr. STEWART (Leeds): As I have said, every member was invited to make suggestions and I have no doubt that the member for that constituency, who happens to be the Minister of Labour, my colleague, whom I appreciate very much, having the interests of his constituency at heart and understanding the conditions up there, was asked whether the suggestion that came in from the board of trade was a good one or not.

Mr. SANDERSON: I want to pursue this a little further. I see a reference to breakwater and harbour for seaplanes. Does the Minister of Public Works think that this was a general work for the advantage of Canada, and can he tell me whether his engineers or any official of his department can say how many seaplanes land at Haileybury in a given length of time?

Mr. STEWART (Leeds): The breakwater was necessary as such. It not only afforded protection to the wharf and harbour, but it also serves as a landing base for seaplanes. I am informed that several planes are operating there at the present time.

Mr. SANDERSON: How many are employed on the works now?

Mr. STEWART (Leeds): I am sorry, I haven't that information.

Mr. SANDERSON: What is the weekly or monthly pay sheet there?

Mr. STEWART (Leeds): I don't know; I have not the information.

Mr. SANDERSON: Will the minister be good enough to get that information and give it to me?

Mr. STEWART (Leeds): If my hon. friend desires that information, I shall be very glad to endeavour to secure it for him and send it, but I haven't got it here.

Mr. SANDERSON: There is one more item in Ontario that I want to inquire about. Further down the list there is this item: "Port Arthur—Rubble Mound breakwater, $100,000." The amount expended in connection with this item was $99,999.25; apparently there is a balance of 75 cents. Were tenders asked for?

Mr. STEWART (Leeds): Yes. It was a continuation of a contract which I believe was awarded by the former government. It was a long breakwater to which another section was added. There was the same thing last year, for the relief of unemployment also

Mr. LAPOINTE: Apparently the constituencies represented by ministers were in special need of relief.

Mr. MANION: When did Port Arthur get a minister to represent it?

Mr. LAPOINTE: I am referring to Haileybury, and I am going to refer to some other constituencies in my own province. In common with other members, I received a letter after the session last year, asking for suggestions with regard to public works in the city of Quebec which might afford unemployment relief. I sent in quite a list, but I am afraid none of my suggestions were accepted. I have here the report of the director—and I am pleased to see my good friend the Minister of Marine in the house. At pages 64 and 65 appear the details of the works which were carried out in the province of Quebec—public buildings, harbours and rivers, in connection with which work was done out of the unemployment relief money. I see that up to February 29, 1932, a total of $415,606.78 was expended. Now in the county of Chambly, which is represented by my hon. friend the Minister of Marine, there is, first of all for Chambly, a protection wall, the amount being $19,954.79. At Longueuil, another place in my hon. friend's constituency, there was also provision for a protection wall. Obviously they are in need of protection there.

Mr. BENNETT: Practising it.

Mr. LAPOINTE: And practising it as well. The amount expended at Longueuil was $19,-

966.25 up to February 29, 1932. At St. Lambert, which is another good town in my hon. friend's constituency, there is another protection wall, the amount being $69,200 up to February, 1932. Then in Vercheres there is a new breakwater, the amount being $10,354.44. These sums added together make a total of $121,475.48 out of a total expenditure for the whole province of Quebec of $415,000. Apparently more than twenty-five per cent of the unemployed in that province are in my hon. friend's constituency, because after all this money has been voted to relieve unemployment. My hon. friend is certainly generous to his constituents. I cannot blame him for that, but if our own suggestions had met with a better reception, perhaps I should not be so keen about complaining. Surely my hon. friend the minister should give a chance to the other sixty-four members from the province of Quebec. More than twenty-five per cent of the whole expenditure in the province being made in the county of one minister is a little too much; and if you add to that what has been done for Haileybury, I think you will agree that the unemployed in other parts of the country are not getting their share of the money.

Mr. HACKETT: Is the hon. gentleman aware that half the population of Quebec is in Montreal, and that this is one of the faubourgs of Montreal?

Mr. LAPOINTE: Apparently the faubourgs are well treated, as well as the city itself. If I am not mistaken the works were stopped and not proceeded with in the city of Montreal, while the Minister of Marine saw that the works were proceeded with in his riding.

Mr. STEWART (Leeds): My hon. friend has referred to these works in the vicinity of Montreal. Unemployment was acute in that city and these works were carried on adjacent to and in what I understand to be the suburbs of Montreal. The works were of a character which could be readily performed at that time of year and which would afford relief to the largest possible number of men.

Mr. HEAPS: Were people from Montreal employed there?

Mr. HACKETT: Certainly.

Mr. STEWART (Leeds): They lived there.

Mr. LAPOINTE: Is the minister sure of that?

Mr. STEWART (Leeds): I understand there were some employed from Montreal. The instructions were that the men to be employed upon this work were to be engaged after consultation with the mayor, the reeve or whoever the head of the municipality might be; they were to be taken on in rotation and in a manner best calculated to relieve unemployment in that particular area. I am sure that this was done and that the desired result was obtained. I am sure that if my hon. friend will review all the works undertaken in the province of Quebec and in the city of Quebec he will find that that city has been fairly and generously dealt with, taking into consideration not only the dominion works but those carried on in cooperation with the province. This picture must be considered as a whole. Where very substantial works are being carried on by the province or by the municipality and the province together toward which the dominion makes a substantial contribution, then it may be expected that unemployment will be fairly well taken care of in that particular area and that it will not be as necessary for the dominion to undertake public works on its own account. It must be borne in mind always, as I have said before, that the object of these works was the relief of unemployment. If unemployment was being relieved by works undertaken in the manner I have indicated, then it became unnecessary for the dominion to prosecute work on its own account. The character of the works which we can undertake and carry on is rather limited, as my hon. friend well knows Buildings cannot be constructed by day labour to any advantage, especially in the winter time, while sewer work, roads and other projects of that character executed by the city and province in cooperation afford a greater measure of relief. I know nothing about the works which are stated to have been held up in the city of Montreal; that would come under the city administration and the provincial authorities.

Mr. DURANLEAU: I desire to make a short explanation in connection with the remarks of the former Minister of Justice (Mr. Lapointe). It is quite true that works were performed in my constituency to the amount of $120,000, but it must be remembered that the south shore is composed of many villages and towns and cities which are suburbs of the city of Montreal. These municipalities are inhabited by men who used to work in the city of Montreal. When the unemployment problem became acute in Montreal, outsiders were stopped from coming on to the island in order to obtain work. A great number of unemployed were created in my constituency because of this fact. We had to relieve unemployment the same as other places in the

province, and I am glad to tell hon. friends opposite that we have really done so. A committee was formed composed of the mayors of these different municipalities, both Liberal and Conservative, and this committee attended to the distribution of the work. Everyone in need of work, whether Catholic or Protestant, or whatever race he might be, was protected and given his share. I do not consider that my constituency was treated any better than other parts of the province. It is a strip of land between the rivers St. Lawrence and Richelieu and protection walls are needed on both sides. This was considered to be the best time to carry out these works, as it would relieve unemployment.

Mr. LAPOINTE: Does my hon. friend contend that twenty-five per cent of the employed are in Chambly?

Mr. DURANLEAU: I do not know.

Mr. LAPOINTE: Twenty-five per cent of the money was spent there.

Mr. DURANLEAU: I know that the work carried on did not give employment to everyone. As a matter of fact the work was carried on in shifts, some men working three days in the week while others came on for the remaining period. Even with this system many men were unable to obtain employment. I think if my hon. friend knew the real situation which existed in that part of the province he would not make the criticism he has.

Mr. GRAY: Mr. Chairman, I should like to ask the Minister of Public Works (Mr. Stewart) a question with respect to an item to be found at the bottom of page 66 of the report of the dominion director of unemployment relief. This item is for $14,000 to cover the construction of a wharf on Walpole island in my constituency, and I should like to know upon whose recommendation this work was authorized.

Mr. STEWART (Leeds): I have not that information before me, and therefore I cannot answer my hon. friend. However, I think this work has been under consideration for some time, and in looking over what might be done, the engineers included works of this character as being suitable to be undertaken at this time.

Mr. GRAY: I notice that this work has not been proceeded with. In common with other hon. members of this house, I was asked to submit certain proposals for the relief of unemployment in my constituency. I submitted certain proposals with which the minister is familiar, one being the construction of a public wharf in the city of Sarnia. The minister has shown a great deal of sympathy towards this proposal, but it has not been proceeded with. I did not recommend any works to be constructed on Walpole island. This is an Indian reservation inhabited wholly by Indians who are wards of the government, with the exception of a customs officer and perhaps an Indian agent. How any government could think of spending $14,000 on a small Indian island when there are other places with large numbers of unemployed, is hard to conceive. Perhaps the fact that the work was not proceeded with shows that the government found out its mistake in time. I press upon the minister that he brings forward all correspondence or anything he may have showing who recommended the expenditure of $14,000 on a wharf on a small Indian island where the inhabitants are at present receiving the moneys due them from the Indian Department. If this work was authorized, then surely the wharf at Sarnia should have been proceeded with. I object most strenuously to money being authorized or even considered in the manner in which this apparently was.

Mr. STEWART (Leeds): My hon. friend need have no anxiety as regards this money being expended. The work will not be proceeded with under this measure. While the circumstances did warrant the carrying on of the work, it would have to appear in the regular estimates and my hon. friend will have an opportunity to oppose it.

Mr. GRAY: Will the minister undertake to give me the information I desire?

Mr. STEWART (Leeds): I shall endeavour to find out where the recommendation came from and give it to my hon. friend. I understand he is opposed to the work.

Mr. MOTHERWELL: Everything comes to him who waits. I do not like to introduce a new subject until the old one is exhausted, otherwise the continuity of the record is broken. There are two or three questions I should like to discuss very briefly, but I do not see any of the ministers in their seats—

Mr. SPENCE: There are several of them present.

Mr. MOTHERWELL: I had not completed my sentence. I do not see present either the Prime Minister or the Minister of Agriculture, the ones to whom I should like to address my remarks through you, Mr. Chairman. Perhaps they will be in presently. I should like to refer to one question with respect to the petition regarding the proposed dollar-an-acre

bonus on seeded acreage in southern Saskatchewan. That was discussed recently in the house under a resolution introduced by the hon. member for Assiniboia. The speech made on that occasion by the Minister of Agriculture concluded as follows:

> This is the greatest problem that agriculture has ever faced, and it must be met directly. As I see it, a final adjustment will be made towards the end of the present fiscal year. At that time the provinces will be in a position to give this government their true financial positions and state the commitments which they can undertake in the carrying on of this work. Serious consideration will be given to this problem.

That is the problem of the proposed dollar an acre on a seeded acreage basis.

> This government will do everything possible to give the most generous treatment. The farmers of western Canada have assurance in the treatment they have received up to the present time.

That is the statement made by the Minister of Agriculture on February 18, and as we are now within a couple of hours of the end of the fiscal year, the time has come when we expect a more definite statement from him with regard to that important question. As he is not present, I do not see how I am going to get an answer. The Prime Minister is not here; the Minister of Trade and Commerce is not here. To whom am I to address my remarks?

Mr. BOWMAN: From what page of Hansard was the hon. member quoting?

Mr. MOTHERWELL: Page 345 of Hansard of February 18. There is not much use in my proceeding. I do not want to repeat my remarks after the hon. gentleman come in, and I do not want to remain standing here. Will the Minister of Railways or the Minister of Justice come to my assistance? Is the Minister of Justice in a position to answer this question?

Mr. GUTHRIE: The only observation I would make in regard to the matter is that the subject is rather out of order, and the quotation from Hansard is likewise out of order. It is not according to the rules of the house to refer to what has taken place in a previous debate during the same session. This matter was discussed in a previous debate and it is not a subject at present before the committee. Personally I am not familiar with the matter.

Mr. MOTHERWELL: It is strange how this rule will always be invoked when the government has no answer. I have the misfortune in always having it invoked against myself, although Hansard has been quoted from interminably this session.

Mr. GUTHRIE: Anything said in this debate may be quoted.

Mr. MOTHERWELL: This is the same question.

Mr. GUTHRIE: It was debated before and the debate was concluded.

Mr. MOTHERWELL: The Minister of Agriculture indicated that a final adjustment would be made towards the end of the present fiscal year. Therefore this is the opportune time, and I do not see how my hon. friend can declare my question out of order. We are now within two hours of the expiry of the fiscal year.

Mr. GUTHRIE: Then my hon. friend has allowed the opportunity to pass. We are now on another question and another bill. The point I raise, not to embarrass or inconvenience my hon. friend, is that this was the subject of a previous and concluded debate in the house.

Mr. MOTHERWELL: My hon. friend feels more embarrassed at the ministers being absent than I am at his objections; I can wait until another time.

Let me introduce another question, and I shall not read from Hansard; I know it fairly well. On July 1 of last year the Prime Minister made a very impressive speech with regard to the national calamity that had befallen certain parts of the prairie west. At that time nobody ever dreamed that the proposed relief measure which we have been discussing here intermittently during the last month, would be transformed or converted into a loaning measure to be operated by the Saskatchewan government and relief commission with moneys supplied by this government. I should like to know what individuals are to-day responsible for the relief that was anticipated in the west being converted into a loaning policy administered by a commission on behalf of the Saskatchewan government with funds practically all supplied by the federal government. It is now a straight loaning policy under ghastly exacting conditions; I have never before seen such oppressive conditions as are those outlined in a bill recently introduced and, I think, passed in the Saskatchewan legislature. I believe I have a right, as one representing a portion of that dried-out area, to protect my constituents from the extortionate conditions that are laid down in that bill with respect to the return of those

loans, and also to protest against the departure from the plain understanding that it was a relief and not a loaning policy that was being introduced by the federal government.

Let us look at the designation of the bill. If it were to be a loan, would the bill not be called a loaning and unemployment bill? I venture the assertion there is not one hon. gentleman, including the ministers present or absent, who ever anticipated that this would develop into a loaning policy under the conditions to which I refer. Will the Minister of Justice say that he permitted that?

Mr. MANION: What is the difference—and I am asking this because I do not know what it is—between loans along this line and the loans for seed wheat? As my hon. friend knows, loans for seed wheat were made for many years under both the late government and the government preceding it. What is the difference between lending money under the present conditions and lending money for seed wheat, which money was charged against the land? By the way I may tell my hon. friend—and he knows this—that ever since we came into power we have been cancelling these loans, and I am sure his government when they were in power did the same thing. They were loans which we knew we could not collect and which we cancelled rather than register them against the land. Will the hon. member explain the difference for the benefit of the committee?

Mr. MOTHERWELL: That is a reasonable request. Back in 1908 is the first time and later in 1915 I can recall a relief measure was administered and in the case of lands patented mortgages taken on the land; in the case of lands not patented, mortgages were filed against the homestead until the lands were patented. That was not preceded however by any intimation by the federal government, such as was made by the Prime Minister on July 1 last. The inference and statement had gone out that this was relief, and not a loaning policy.

Mr. MANION: My hon. friend would not deny that a supply of seed wheat was in the nature of relief?

Mr. MOTHERWELL: I could read the exact words of the Minister of Agriculture, but I do not think I need to. When the minister began to investigate conditions in the west after prorogation of this house had taken place last summer he was waited upon by a deputation of probably a dozen or half a dozen farmers. They took the ground that inasmuch as their lands were free of mortgage; that they had no indebtedness and yet could not borrow sufficient money to supply themselves with seed, feed or anything else and they did not wish to accept charity from the government. They did not like that idea, and I am not surprised. The Minister of Agriculture said that that was the first time this question had come up of being permitted to pay back relief advances. Up until that time it was anticipated that the aid to the farmers was to be a relief measure, the same as the five cents per bushel was. Those farmers who had crops received in the aggregate money to the extent of $10,000,000. The deputation which waited upon the minister, however, wanted the opportunity to pay back any help they received, because they did not wish to accept charity. We have to respect the stand taken by those people. The Minister of Agriculture asked the house—I do not remember his exact words, but I think I can state his version—if hon. members would not have done exactly as he did, and if they would not have given an opportunity to pay back the loans or relief contributions. As a result we have the introduction of the policy of promissory notes. That was the beginning of the provision for repayment. We have the spectacle of well-to-do farmers with crops of 10,000, 15,000 or 20,000 bushels receiving large federal contributions, running up to one thousand dollars each, while the poor fellows who had not enough grain to feed a chickadee or enough straw to make a hen's nest could not get enough flour to fill a thimble or enough clothing to go around their little fingers without giving some kind of guarantee, mortgage, caveat, seed lien or promissory note. I am sure the government does not wish to finish this session with that ghastly disparity between the treatment accorded those who had and those who had not crops. I have heard the statement made in this house dozens of times that relief should go to the most needy. According to the statement of the government expenditures have been made to the extent of about $10,000,000 to those who had a crop, while those in need of relief are treated in the manner I have described. If the government really knew the tremendous amount of dissatisfaction which has been caused throughout the west by this outrageous discrimination in favour of the farmers who least needed relief, they would not sleep restfully until they had taken steps to redress that disparity.

I am trying to present the facts as accurately as possible. The few ministers present gabble like a lot of magpies and blackbirds, and those hon. members in the house who

know anything about the subject refuse to rise and defend this condition of things. So much for that. If hon. gentlemen opposite think they are going to freeze us out by silence they are making a bad guess. Apparently the ground is taken by the government that they have no responsibility in the matter. Many times last year, however, the statement was made by the Prime Minister that the government would take the responsibility. At that time questions were being asked about audits and guarantees of proper expenditures by the provinces. I cannot give exact words at this time, and if I could I probably would not be allowed to, but I know that was the stand taken by hon. ministers opposite. My understanding now is, however, that they wish to free themselves from all responsibility as to how the Saskatchewan government and relief commission are administering these vast sums of money.

The day before yesterday I received an answer from the Prime Minister, and I understood him to say that the expenditure of the money was a matter entirely within the control of the Saskatchewan government. Apparently that is all we can get out of them. I venture to say the Saskatchewan government takes the same position in regard to the federal house. No doubt they will be saying, "Well, we have no responsibility; this is the responsibility of Ottawa." There you are.

The primary purpose of the Saskatchewan bill I have in my hand is to incorporate the Saskatchewan relief commission, and that is provided for in the preamble. There is an indication according to the terms of the bill that the commission will be in existence for two more years, and the sections are made retroactive and binding in every possible way. As there has been doubt on the part of some hon. members as to whether there were any seed grain liens being taken on farmers' crops I should like to read section 8 with respect thereto:

When the commission furnishes seed grain to any person under the authority conferred by section 7, the commission shall take from such person a written agreement for a lien (Form A) in favour of the commission upon all crops to be grown, during the year in which the lien agreement is made and the succeeding year, upon the land described therein.

(2) An agreement may be executed in blank as to the quantities of seed grain to be advanced by the commission, but it shall nevertheless be valid and binding upon the lienor as to the quantities subsequently inserted therein by the commission unless the quantities found to have been actually received by the lienor are less than the quantities inserted in the agreement, in which case it shall be valid and binding as to the quantities actually received.

[Mr. Motherwell.]

So you see, Mr. Chairman, they have a habit in the Saskatchewan Relief Commission of having farmers sign documents in blank. The promissory note produced by the hon. member for Weyburn (Mr. Young) and handed to the Prime Minister was the first intimation the Prime Minister had that such kind of promissory notes were being taken. I now have before me a blank seed grain lien, and I do not know whether the government knows about it. If I have time before eleven o'clock I will read the form of that lien. It is in blank, but there is space to fill in interest at the rate of seven per cent. The farmers are tied up by these liens as tightly as they would be with a logging chain so that they cannot either wink an eyelash or wiggle a toe.

There are quite a number of lawyers present. The Minister of National Revenue is a well qualified lawyer, and in addition there are some private members on both sides of the house well versed in law. It may be that I am not familiar with such methods of tying up the farmers—hog-tying them, as I call it. Let me read this document.

(5) Upon the execution of a lien note pursuant to the provisions of this act, such lien note shall be deemed to include without express mention the following covenants by the party executing the same, and his executors, administrators and assigns, that is to say:

The title, ownership, and right to possession of the said grain, and of all crops grown upon the land described in this agreement in the year in which the seed grain is supplied to me by the Saskatchewan relief commission and in the following year, and of all crops grown upon any other land occupied by me in such following year, shall remain at my own risk in the said commission until the selling price of the grain supplied is fully paid with interest, and if I make default in payment, or should I sell, dispose of, or mortgage my landed property, or if the said commission should consider itself insecure, it shall have power to declare the said advance due and payable forthwith, and the said commission may forthwith take action against me therefor, and it may at its option take possession of the said seed, as well as of all crops grown upon the said land during the year in which the said seed grain was supplied to me and the following year, and all crops grown upon any other land occupied by me in such following year, and may hold the same until the said sum is paid with interest, or sell the same at public auction or private sale, the proceeds thereof to be applied, after deducting all expenses in connection with such taking possession and sale, in reducing the amount unpaid thereon; all of which shall be without prejudice to the rights of the said commission to pursue any other remedy or remedies it may have now or hereafter against me in respect of the said seed grain or my indebtedness therefor; and without prejudice to the rights of the said commission to collect the balance remaining unpaid at any time after it has exhausted any special remedy or remedies against me, and for

any such balance remaining unpaid at any time action may be taken against me, and judgment may be entered by the said commission at any time.

Then there is one further paragraph:

For the purpose of taking possession and recovering such grain the said commission, its agent or agents, may freely enter into and upon my buildings, enclosures and lands, using such force as may be necessary for the purpose.—

I do not know whether that is the purpose for which the extra mounted police were engaged.

—The destruction or damage of the said grain by fire or any other means or in any other manner whatsoever, shall not release me from my liability for payment.

Now, this is a seed grain lien, Mr. Chairman. Anybody who is familiar with realizing on seed grain liens knows that the creditor must keep guard over such grain crop before it is threshed and marketed, otherwise his security is gone. Therefore as a rule the creditor puts someone on the farm to see that the threshing and the marketing are done with his knowledge and advantage. Consequently if after the threshing the farmer refuses to market the grain the lien holder can put on a team and draw it to market, charging the cost to the debtor. Can you imagine, Mr. Chairman, that any government is going to put teams on all these farms, haul the grain to market and charge the cost to the respective farmers in order to realize on the loans made? No government would dare do any such thing. But even if the government did take that step, would not that be the signal for those creditors who had prior claims on the grain—storekeepers, coal merchants, lumber dealers and others in the vicinity—to do the same thing, with the result that the poor farmer would be stripped by them as bare as the day he was born? Does anybody believe that that will be done? But that is the only way in which the government can recover on such liens if the farmer declines to market such grain when desired. There is this provision in the law, that if for any reason it is not expedient to take such action the first year it may be postponed until the second year, and so the horror of that will be hanging over thousands of farmers from now until the second fifteenth of August—a year and a half hence. Nobody in his senses believes that the government will realize on those liens. I don't think any hon. gentlemen believe the government will dare take that course under present conditions. The whole country would be outraged. Take the people down here, those prominent in churches and other organizations who sent out to the west a large number of carloads of fruit and vegetables free —they did not ask for a lien from those to whom they sent those goods—if they heard that the government of Canada with its great taxing powers and financial resources had started to realize on their liens they would be scandalized. I am not exaggerating the situation at all. Unfortunately it is all too true. And we all innocently thought we were engaged in passing a relief bill to deal with what the Prime Minister described on the first of July as a "national calamity." Supposing he had said at the end of his dramatic and very impressive speech, "I am going to provide shelter, food and clothing for the unfortunate prairie farmer, but I shall expect him to pay back the last farthing for this assistance, I shall expect from him a promissory note on demand, I shall expect from him a lien payable next August; I shall expect all these things in return for keeping him alive in the meantime;" if he had said that what would have been thought of him and of his government? Would he have got that wonderful speech blazoned across the entire country—and quite properly so, for it was a great statement. As a matter of fact, Mr. Chairman, it never entered into the thought of any man either inside or outside this house that any such thing as taking liens would be done until the Minister of Agriculture in his perambulations throughout Saskatchewan was interviewed by a small deputation—it is not stated how many; we will say two dozen—and they intimated that they did not want to take charity. I am not permitted to quote what was said in another debate; the Minister of Justice (Mr. Guthrie) has his eagle eye on me and will not allow me to do it. But the Minister of Agriculture said he knew at that time the aggregate relief expenditures that would be outstanding before the next crop was harvested would amount to about twenty million dollars; that is, twenty million dollars would be expended for seed, feed, clothing, food, gasoline, lubricating oil, harness mending, and so on in that vast territory, including of course the adjoining provinces. Apparently he went out there knowing that that was the case, yet it never occurred to him whether that money would come back to the government or not, whether it was to be treated as a loan or a gift, until this deputation said: "We do not want charity." Then he concluded he would recommend to his colleagues that promissory notes be taken from all applicants for relief before being delivered. Thereupon the promissory note policy was started. That is the story as partly recited by the Minister of Agriculture himself,

who is the only one to plead guilty or not guilty, and he is not here, although I saw him a few minutes ago behind the curtains. I wonder if I cannot bluff the absentee ministers into coming back and explaining and defending themselves. They deny responsibility, but I hold the whole outfit responsible, not only this government but the government of Saskatchewan also. Imagine us being handed over, body, boots and bones, into the hands of the Saskatchewan government, that government that was sired by the Ku Klux Klan and damned by nearly everybody else. We are in the hands of that government and its relief commission, and I hold this government responsible for putting us in that position.

The Minister of Agriculture took credit for what he called the compensating adjustment or five cent bonus policy. He took nearly a whole column of Hansard to show the evolution of that policy, and took credit for it. If he is going to take credit for that he must also accept responsibility for the rest of it, the economic crucifixion of cropless farmers introduced by this government in collusion with the Saskatchewan government with respect to these seed grain liens and promissory notes.

Well, what is going to be done? Must we send for the sergeant at arms in order to get the Prime Minister and the Minister of Agriculture here? I do not want to go all over this again; I am sure you do not want to hear me. I will just continue with this rotten Saskatchewan bill. Here is the blank seed grain lien, which is form A. Someone has asked if this bill has gone through. I am not sure whether or not it has gone through the house, but it was introduced before Easter. It may be standing for third reading now, but in Saskatchewan, as in Ottawa, the government has been successful thus far in getting through anything it desired. This is the form of the lien taken by this permanent relief commission which is incorporated by this bill, this lovely, entirely non-partisan organization about which we read so much:

I , of in the province of Saskatchewan, farmer, in consideration of the Saskatchewan relief commission advancing to me the following quantities of grain the agreed on selling price whereof is dollars ($) and which grain I intend to use for the purpose of sowing the land I am cultivating or sowing on the: of section township range west of meridian; and of section township range west of meridian; that is to say—

Bushels of wheat, grade .. at $.. per bushel.
Bushels of oats, grade .. at $.. per bushel.
Bushels of ..... grade .. at $.. per bushel.
Bushels of ..... grade .. at $.. per bushel,

[Mr. Motherwell.]

do hereby agree to pay to the Saskatchewan relief commission on the 15th day of August, 19...., the said sum of dollars ($) with interest thereon from the date hereof at the rate of seven (7) per centum per annum and further do hereby make and constitute the said sum of $ together with all interest accruing thereon at the rate aforesaid from the date hereof, a first lien and charge in favour of the said commission upon all crops to be grown in the years 19 and 19 upon the land hereinbefore mentioned, the said commission to have all the rights and remedies for the collection of the said sum as set forth in the act respecting the Saskatchewan relief commission 1932.

I agree to return to the said commission any seed supplied to me hereunder and not used by me for the purpose herein mentioned.

You will notice all the blanks which can be filled in by the commission at their convenience. I am sure any of you or your churches who helped supply the people of the prairies with free vegetables and fruit must be shocked by the exactions contained in this seed grain lien. Is that relief, or is it crucifying afresh those men who are already burdened now with mortgages, caveats, liens and what not? On top of all they have to bear now is to be placed this additional obligation, and does anyone ever expect farmers so situated to stagger to their feet between now and eternity? It cannot be done. Why are they putting on these liens and taking these promissory notes? I think I know; members of the government are not here to answer that question. I wonder if I could get the attention of my friend the Minister of Finance, with whom I always have a friendly chat when opportunity permits. I cannot get any responsible minister, Mr. Chairman, to tell me anything at all about these atrocities.

Hon. gentlemen opposite have handed us over to the ravages of the Saskatchewan government and the relief commission set up by this bill. I use the word "ravages" advisedly, with no reservations and without hesitation. I challenge members of the government now to call me to order with regard to any of the terms I have used in connection with this matter. My only hope is the Minister of Finance, and now I am going to try him. I do not know whether or not in the maritimes they have such things as seed grain liens, but we have or will now have plenty of them out west. I see the hon. member for Saskatoon back there grinning like a basket of chips; I suppose he knows plenty about it but he won't rise and defend this government.

Mr. MacMILLAN (Saskatoon): It is pretty hard to keep from laughing at the actions of a baboon.

Mr. MOTHERWELL: A man has to be pretty badly off when he gives a seed grain lien on his growing crop. Next August 15 the government, through the Saskatchewan government, which works through the relief commission, can start realizing on the crops of these unfortunate Saskatchewan farmers as soon as they are ready to be drawn to the elevator.

Through you, Mr. Chairman, I am directing that point to the Minister of Finance. Can he imagine himself, as Minister of Finance, collecting on these liens from those downtrodden farmers who are already mortgaged to the hilt? We must remember also that these liens are a first charge, and come before anything else. Imagine, I repeat, what would happen if an emissary of the government should go out and start hauling grain to market, charging the cost of haulage against the growers, in order to realize on liens held by the Saskatchewan commission. If that were to happen either he would be mobbed or every other creditor would pile in while the piling was good.

That is the situation. I do not know whether the Finance minister's blood is circulating any faster with indignation or whether he thinks I am just talking. But do not make any mistake about it; until to-night I had not said a word for two days, and now I am not talking for fun. The government had to go to a very great deal of expense to get this money which has been loaned by millions to the Saskatchewan government. Now, so far as I can understand, the government is washing its hands of any further responsibility, and we are being handed over to this so-called non-partisan relief commission. It is a lovely commission, and we have a lovely government to deal with here also. Will the Minister of Finance, who is now present, say whether he would like the job of collecting these vast sums of money under these conditions? There is another question too. Something like $5,000,000 of this is agreed to be paid by this government alone because of the national character of the crop disaster. Are they going to leave it to the Saskatchewan government through the relief commission to collect that also? And if they are not going to collect it, how will they know what is this amount and what is the other? Mr. Chairman, this is an impossible way of collecting money. No government can collect money this way, and no government in Canada will dare to attempt it.

An hon. MEMBER: Why worry, then?

Mr. MOTHERWELL: I will tell you why, and that is the point. There may be an election up there at any time and then nine-tenths of the farmers in certain areas will be financially obligated to the government that will be appealing to the country. I do not need to tell practical members of this house what will probably happen. Away back in 1908 I ran an election in North Qu'Appelle. One quarter of my constituents in certain polls were under mortgage to the brother of my opponent. A good many of their mortgages were overdue, and foreclosure was impending. Suddenly, like a flash of lightning and with a crash as of thunder, they had to quit campaigning for anyone. Against such odds I therefore know what happens when an electorate is so indebted and when it is indebted to the government of the day the situation is a hundred times worse. I say without fear of contradiction that every one of those hon. gentlemen sitting opposite knows in his heart that what I am saying in this respect is true. This is hoped to be effective on behalf of government candidates, but I am doubtful if it will, as it may work both ways by a backfire. I will now await with pleasure any remarks which the Minister of Finance or any other hon. gentleman on that side sees fit to offer.

Mr. BELL (St. Antoine): I do not think the hon. member for Melville (Mr. Motherwell) has been up to his standard in his address to the house to-night. He is an old parliamentarian. He sits to the left of the leader of the opposition (Mr. Mackenzie King), and there is not an hon. member on the other side who has had a greater political experience than he. But though I listened patiently to what he had to say to-night, to see whether he had one constructive idea to offer the house, I could detect nothing of the sort. He spoke about the Ku Klux Klan leading the province of Saskatchewan, and as he discussed this and kindred matters his heart bled for Canada. Let me remind him and other hon. members of this house that the Dominion of Canada to-day is passing through one of the most crucial periods in its history. Judging by what we have been told, the people of the west are starving to death at the present time, and I may inform the hon. gentleman that there are a great many who are walking the streets of Montreal to-day looking for unemployment relief. What is this house doing? The Liberal opposition talked and talked for weeks about the constitutional question; we have heard quotations with respect to the mother country and constitutional rights; and we on this side have been described by such eminent gentlemen on

the other side as the hon. member for Labelle as failing in courage and being in the hands of a few men who are ruling the house. Well, I ask, what is the house doing to-day? Only one question faces this house, and that is the urgent necessity for granting relief to the people of Canada. And when hon. gentlemen opposite talk about the constitutional question, I ask what is the constitutional question? It is the peace, order and good government of Canada, and on these six or seven words hon. gentlemen are holding up the progress of this measure. Yet the mother country, without a written constitution, would have voted this money long ago to relieve suffering at home or in any other part of the empire.

I want to pay tribute to the premier of Quebec for the statement which he has made with regard to this unemployment relief question. There is in the Liberal ranks no greater partisan opposed to this government than the Hon. Mr. Taschereau, and we respect him for the honesty of his views. Premier Taschereau, however, before being a Liberal, is a Canadian. I think the members of this house should likewise be Canadians before they are partisans. We should get down to business and have some sympathy for the people who are suffering to-day in Canada. We should grant them the relief they need. There come to my office every day men with families of six or seven, who are in need of relief. You westerners think that you have all the trouble, but you cannot blame this government for not having done what God has not done; you cannot blame the government for not having given you rain. You cannot blame the dictator of this government, if you wish to use that expression, so far as that is concerned. You will have to go a little bit higher up.

An hon. MEMBER: A little bit.

Mr. BELL (St. Antoine): The Canadian people are sadly in need of relief, and if hon. gentlemen could vote unanimously a year ago, granting millions of dollars for twelve months, surely that principle can be extended for another few months. My hon. friends opposite have used very far-fetched arguments. They have preached, they have held up the house, and they have spent hours using up pages upon pages of Hansard. On the other hand, Premier Taschereau decided the question for them as a Canadian and not as a partisan when he spoke the following words which I quote from the Ottawa Morning Journal of March 31, 1932, a despatch from Quebec by the Canadian Press:

Quebec, March 30.—To a delegation of mayors of cities and towns in the province of Quebec, who requested in an interview to-day that the time limit for the completion of unemployment relief works be extended, Premier L. A. Taschereau said: "Take your request to Ottawa and we will endorse your action. In the matter of unemployment I wish to pay this tribute to the Bennett government: they have done all in their power to relieve unemployment. I might add, the provincial governments have been equally active."

That is all I have to say on unemployment. I come from a city that pays its full share of taxation and is happy to pay it, and I come here representing people who are prepared to assist their fellow Canadians. I look upon parliament not as the playground of partisanship, or a place for gibes and personal animosities, I look to old parliamentarians such as the hon. gentleman who preceded me, to do something to meet the present grave situation instead of getting up and talking about the Klu Klux Klan and things of that kind. I look to the hon. gentleman to pass this unemployment relief in order to help his distressed fellow Canadians. I look to the opposition, who acceded to the request of the government in the past, to use the same good judgment on this occasion even if it does imperil their political fortunes, and let this relief measure go through, instead of giving to the people of Canada a bare bone known as unemployment. For heaven's sake let us give them something whereby the distressing conditions that now prevail in the country will be relieved forthwith.

Mr. POWER: I was glad to hear the hon. member for St. Antoine (Mr. Bell) quote the Hon. Mr. Taschereau to the effect that the Bennett government had done all in its power to relieve unemployment. That is just what we complain of, it has done all in its power to relieve unemployment with the machinery which it has, but it has not succeeded. We want the government to use some other machinery, to appeal to parliament and to use constitutional means of going about the relieving of unemployment. If that were done, perhaps it would succeed. A moment or two ago my hon. friend said that even to-day people were walking the streets of Montreal unable to find employment. If they are unable to find employment it shows that the government which has done everything in its power has not been able to relieve the situation. We have no complaint to make in connection with what Mr. Taschereau has said, but we do say that the government should go further and consult parliament. My right hon. leader has said that a conference should be called, and I understand from those who were present this afternoon that the

leader of the government has agreed to call a conference. So far as we are concerned, we will endorse that procedure. Let the Prime Minister call a conference, but let him get away from the use of the system which has been in operation for the past six months.

I did not rise to discuss this point particularly, but rather to discuss a matter concerning the banks of this country. As the Minister of Finance (Mr. Rhodes) is in his place perhaps he will be kind enough to answer a question with respect to an order in council passed on October 27, 1931, dealing with the valuation of securities by the banks. I do not like to take up the time of the committee in reading all of this order in council, but it is an important piece of legislation and I think perhaps it should be on Hansard. Before I read it may I ask the minister if it is proposed to pass a new order in council in the same terms as that passed on October 27 in order to continue to the banks the authority which they have of valuing their securities at other than their true value?

Mr. RHODES: No, that will not be necessary.

Mr. POWER: Do I understand the minister to say that it will not be necessary because the act we are now dealing with covers the point and permits the extension of the right given to the banks until May 1, 1932? Or is there some other reason?

Mr. RHODES: I do not know that I can enlarge upon what I have said. The act now before the house will expire on May 1 and there will be no necessity for exercising any such powers as are contained in the order in council.

Mr. POWER: Will it be necessary to give to the banks such an extension of the rights conferred by this order in council as will permit them to make a report for the month of March other than the ordinary report?

Mr. RHODES: No.

Mr. POWER: The order in council expired on March 1, 1932; are we to assume that the returns made by the banks under the Bank Act after that date will show a true valuation of securities?

Mr. RHODES: My hon. friend must not put words into my mouth: He put a question to me which I answered categorically; he asked me if there was any intention to pass an order in council similar to the one which was passed, and I said, no.

Mr. LAPOINTE: Will the provisions of the Bank Act apply then?

Mr. RHODES: Certainly.

Mr. POWER: So that from March 1 the provisions of the Bank Act will apply?

Mr. RHODES: Certainly.

Mr. POWER: So that the order in council passed in October will no longer be in effect, and I take it from the minister that it is not intended to renew it?

Mr. RHODES: I have stated twice that there is no intention to renew it.

Mr. McMILLAN (Huron): Mr. Chairman, this is too serious a question to be scoffed and laughed at, as hon. friends opposite seem disposed to do. Apparently the hon. member for St. Antoine (Mr. Bell) did not understand the matter discussed this evening by the hon. member for Melville (Mr. Motherwell), otherwise he would not have expressed himself as he did. I do not need to remind hon. members of the committee of the agony and distress which has been spoken of not only by members of the opposition but by members of the government. The Prime Minister (Mr. Bennett) told us just recently that the situation was such that this was not the time to talk cheap politics. I agree with every syllable he has uttered in that respect. According to the Minister of Agriculture (Mr. Weir) there are 250,000 people, or 50,000 farmers, in western Canada who are faced with disaster because their crops have been burned out for three years in succession. The situation was such that carload after carload of produce of one kind or another was shipped out gratuitously from the provinces of Ontario and Quebec. From the neighbourhood of St. Hyacinthe in Quebec no less than seven or eight carloads of clothing and provisions were shipped out to these people. All this material was sent gratuitously bacouse we were only too pleased to lend a helping hand. I mentioned this a day or two ago when I addressed this house, and I referred also to the fact that $5,250,000 had been expended in these burnt-out districts. To my surprise I found out that while we in the provinces of Ontario and Quebec had been sending carload after carload of clothing and supplies absolutely gratuitously, when the people of Canada made a contribution through the medium of the government, it was not made as a gift but, as the Minister of Agriculture has said, the people were compelled to sign notes agreeing to pay back what they had received with seven per cent interest thereon. This is a most unheard of thing.

During the Easter holidays I told the people in my constituency what had been done. I think the first carload of produce sent from Ontario was shipped from my constituency, and when the people were told what had been done, they were dismayed to think that the government would act in this way with the funds of the treasury of Canada.

Mr. BENNETT: No notes were taken for contributions.

Mr. McMILLAN (Huron): The government is sending out the people's money and notes are being taken. Upon my return I was surprised to find that a statute had been passed by the legislature of Saskatchewan legally incorporating the commission in Saskatchewan appointed by the Minister of Agriculture or by the federal government to carry out the provisions of the agreement which had been entered into for the relief of those people. I appeal to every hon. member, and I am surprised to see my good friend the Minister of Finance, the man who has the disposition of the money, sitting there smiling as he is doing after he and all the other ministers that have been present have not had a word to say during the discussion of what the ex-Minister of Agriculture has said. If the Minister of Finance wishes to say a word I shall give him an opportunity.

Mr. RHODES: I was smiling just because my hon. friend was asserting with such vehemence that the Saskatchewan commission was appointed by the federal government; he ought to know that it was appointed by the Saskatchewan legislature. I was smiling because of his absolute assurance that he was right when he happens to be quite wrong.

Mr. McMILLAN (Huron): Did the Minister of Agriculture not have to appoint the commission?

Mr. BENNETT: No.

Mr. McMILLAN (Huron): I have not the privilege of referring to the words of the Minister of Agriculture and the Prime Minister, I see, is as ready as anybody else to take advantage of an evasion if he can; but if the Minister of Agriculture did not appoint the commission, according to his own words on the floor of this house, he certainly made the recommendations. The government know that promissory notes are being taken from these farmers who have been burned out for three successive years. This is too serious a matter for anyone to regard it with levity. In my section of the country there is not one individual to whom I have spoken who does not think this is an unheard-of act. If the federal government are taking no responsibility in the matter they are washing their hands of a responsibility which is theirs, because the money is coming from the federal treasury and according to the Prime Minister's own words, promissory notes are being taken for it.

Some hon. MEMBERS: Carried.

Mr. McMILLAN (Huron): Do not think for a moment it is carried. The Prime Minister told us in the house yesterday that this money had been loaned to the province of Saskatchewan. Therefore we ought to know whether this money is going to be returned to the federal treasury or whether, when these promissory notes are paid, the proceeds will remain in the hands of the Saskatchewan government. Is it to be a free gift from the treasury of the Dominion of Canada to the treasury of Saskatchewan and are these people not to receive the money handed out as it were, in a free manner? We have been told that we should try to help the needy in this country. If there be one thing more than another which the members of the House of Commons ought to do, and do unanimously, it is to see that those unfortunate people of Saskatchewan who have had absolute crop failures for three successive years, are put on their feet.

Mr. MANION: Why not sit down and give them a chance to get some help?

Mr. PORTEOUS: Just sit down and give them a chance.

Mr. McMILLAN (Huron): I am surprised at my good friend the hon. member for North Grey, because just the other day when I was talking to him on this same matter, what was his reply? He said: I had no idea this was being done with those poor people. Yet when this matter is being discussed on the floor of parliament, I am surprised he displays such partisanship.

Mr. PORTEOUS: Who is to pay these notes if the people of Saskatchewan do not?

Mr. McMILLAN (Huron): Who is to pay them? We as members of the opposition say that these people should receive this as a free gift just as was the case when the people of Ontario and Quebec sent carload after carload of relief to western Canada. We do not look for anything in return for that; it was a free gift to the people of Saskatchewan. As I say, when that is the case in regard to relief handed out by the people of Ontario and Quebec to the western provinces, when it comes to a question of the government of Canada paying out money from the public

exchequer on behalf of the whole Canadian people, it is a surprising stand for any member of the government to take that they should not let us know what they are going to do.

Mr. GOTT: Will the hon. gentleman allow me to ask a question?

Some hon. MEMBERS: Carried.

Mr. McMILLAN (Huron): Not at all. I think if ever there was a time when we ought to have a statement from the members of the government, it is now. They have sat silent during the last half hour or so. This is a cabinet responsibility; every member of the cabinet is responsible for the actions of any member of it; the cabinet as a whole is responsible for the action of every individual member thereof.

Mr. GOTT: If the hon. member will not allow me to ask a question, I shall draw the attention of the Speaker to the fact that it is now eleven o'clock.

NOTICE OF CLOSURE

Mr. BENNETT: I beg leave to give notice that, at the next sitting of the committee of the whole house, I shall move that the further consideration of the title and clauses 1, 2 and 3 of the Unemployment and Farm Relief Continuance Act, 1932, shall be the first business of the committee and shall not be further postponed.

I may say that yesterday I had some reason to believe that the statement made in connection with this evening would be implemented; otherwise we should have taken a very different line of action. I am very sorry it was not.

Mr. MACKENZIE KING: What is the statement to which the Prime Minister refers?

Mr. BENNETT: A statement made by the ex-Minister of Justice to me.

Mr. LAPOINTE: Never. I said: if this bill can be put out of committee to-night, would the third reading be to-morrow? The Prime Minister said yes. I said I would try to see it passed through committee, but I never gave any undertaking.

Mr. BENNETT: We all believed he did. That is all.

Mr. MOTHERWELL: If the Prime Minister had made a statement in the house we would have got through.

Progress reported.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: I suppose the second application of the closure will be the first order of business to-morrow?

Mr. BENNETT: That will be if the hon. gentleman's representations are as I now understand them, that this bill is not to go through except by closure. I have already given notice of that. If this business is concluded some time after two o'clock, we shall then proceed with government orders and supplementary estimates.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, April 1, 1932

The house met at three o'clock.

CLOSURE—PRIVILEGE

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, I desire to bring a question of privilege of the whole house to its attention. At the close of last night's sitting the Prime Minister, having mentioned that he would apply closure to the matter under discussion, made this declaration:

If this business is concluded some time after two o'clock, we shall then proceed with government orders and supplementary estimates.

The point I desire to raise, and I think it is of importance for future debate, is that the house has no right under the present rule to take up anything after the closure has been applied to any measure under discussion up to two o'clock. I take first standing order 39 under which closure is applied. I will not read the whole of it, but simply the concluding part:

And if such adjourned debate or postponed consideration shall not have been resumed or concluded before two of the clock in the morning, no member shall rise to speak after that hour, but all such questions as must be decided in order to conclude—

Mr. SPEAKER: Order. I cannot understand the hon. member's question of privilege. He is talking of the application of the rules of the house. At the present moment no rules are being applied except the ordinary rules of procedure.

Mr. BOURASSA: Mr. Speaker, with a view to helping the house in future—

Some hon. MEMBERS: Oh, no.

Mr. BOURASSA: Quite so. My contention is that by disregarding this rule last Tuesday the privileges of the house were broken.

Mr. SPEAKER: That was the time to discuss it; the breach cannot be amended now. What is done is done. Even supposing the hon. member's point of order is well taken referring to former procedure it cannot be remedied now, and this is not the time to discuss it.

Mr. BOURASSA: But upon the declaration made by the Prime Minister last night may I not raise the question of privilege?

Mr. SPEAKER: It is not a question of privilege at all. If at a later date any member undertakes to do something in violation of the rules of the house it is time enough then to bring up the question. It cannot be anticipated. The notice of motion for closure was not while the house was in session, but while in committee.

Mr. BOURASSA: May I ask, Mr. Speaker, for my guidance, if after closure has been decided upon the point can be raised?

Mr. SPEAKER: It cannot be raised academically.

Mr. BOURASSA: I mean after the vote is taken under the closure rule and as a matter of procedure, can the point be raised that the house cannot proceed with other business?

Mr. SPEAKER: When the house proceeds to such business, if the hon. member thinks it is not within the rules of the house, he can raise the question.

Mr. BOURASSA: Thank you, Mr. Speaker. That is all I want to know.

AGRICULTURE COMMITTEE

Mr. M. C. SENN (Haldimand) presented the third and fourth reports of the select standing committee on agriculture and colonization as follows:

THIRD REPORT—BEET SUGAR INDUSTRY

Your committee has had under consideration an order of reference dated Wednesday, February 24, 1932, namely:

"Resolved: that all questions affecting the beet sugar industry in Canada be referred to the select standing committee on agriculture with instructions to inquire into the action which may be taken by the government, by way of customs duties, subsidies, bonuses or otherwise, either in or without cooperation with the provincial governments for promoting the prosperity of the said industry and developing the production of Canadian grown sugar, and report to this house.

Attest.

Arthur Beauchesne,
Clerk of the House."

Your committee has called and examined the following witnesses:—

H. Marshall—Bureau of Statistics, Ottawa, Ontario.

Dr. F. W. Grindley—Bureau of Statistics, Ottawa, Ontario.

W. R. Reek—Director of Experimental Farm, Ridgetown, Ontario.

Thos. Simpson—Farmer, Petrolia, Ontario.

G. L. Rogers—President, British Columbia Sugar Refining Company, Vancouver.

B. R. McMullen—Beet Growers' Association, Alberta.

Chas. Houston—President, Canada and Dominion Sugar Company Limited, Chatham, Ontario.

Alex W. McIntyre—Canada and Dominion Sugar Company Limited, Chatham, Ontario.

W. F. Russell—Alberta Beet Growers' Association.

The evidence submitted established the following facts regarding the industry:

1. That the production of sugar beets has been carried on very profitably in certain districts of Ontario and Alberta: that the area under cultivation has increased from 25,000 acres in 1921 with a yield of 200,000 tons to 42,000 acres in 1931, with a yield of approximately 435,000 tons, and that the production of refined beet sugar has increased from 53,000,000 pounds in 1921 to approximately 100,000,000 pounds in 1931.

The amount paid to the farmers for beets in 1931 was about two and one-half millions of dollars; during the period of normal commodity prices for farm products, an average price of $7.48 per ton was paid to the farmers for sugar beets, but owing to the present low price of raw cane and refined sugar, the factories claim that they are unable to guarantee more than $5 per ton for the 1932 crop.

2. That large additional areas, suitable for the growth of sugar beets, are available in Canada.

3. That there are five firms engaged in the refining of sugar in Canada—The Canada and Dominion Sugar Company Limited, producing cane sugar at their Montreal factory, and beet sugar at Chatham and Wallaceburg, Ontario; the British Columbia Sugar Refinery, producing cane sugar at Vancouver, B.C., and beet sugar at Raymond, Alberta; The Arcadia Sugar Refinery Company, Limited, Dartmouth, N.S.; The Atlantic Sugar Refinery, Limited, St. John, N.B.; St. Lawrence Sugar Refinery, Limited, Montreal, P.Q. The last three have engaged exclusively in the manufacture of cane sugar.

4. That during the past ten years the annual average production of refined sugar in Canada was 963 millions of pounds; the percentage of beet sugar production has varied from 6·2 per cent in 1926 to aproximately ten per cent in 1930 and 1931.

5. That the sugar beet factories at Chatham, Wallaceburg and Raymond, are now operating at full capacity, and that no further development of the beet sugar industry in Canada is possible until manufacturing capacity is increased.

6. That world stocks of sugar on hand are very large and that an estimated surplus of some four millions of tons will be carried over to next year.

7. That there is sufficient capacity in the cane sugar refineries of Canada to refine two and one-half times the amount of sugar necessary to meet the demands of the Canadian consumers.

8. That the consumption of sugar in the area from Winnipeg to British Columbia is approximately 225,000,000 pounds supplied from eastern Canada as far westward as the Brandon district, and from Vancouver, eastward to the Brandon district, except for the tairty million pounds of beet sugar manufactured at Raymond, Alberta.

9. That freight rates on sugar from Raymond, Alberta, to prairie points are from one-half to three-quarters of a cent per pound less than rates to similar points from Vancouver or Montreal.

10. That the granting of bonuses or subsidies at present to encourage the production of sugar from beets, was not favoured by the representatives of the growers or of the refiners.

Your committee therefore recommend that in view of the existing tariff on sugar and in consideration of the substantial payments being made to agriculture and labour by the beet sugar factories at present in operation, the cane sugar refineries should undertake to provide for a gradual increase in factory facilities for the refining of beet sugar in Canada, and that, with the additional advantages in freight rates to points in the middle west, heretofore described, factory facilities should now be steadily increased in western areas where beets are grown, and thereby make it possible to produce from beets a more substantial percentage of the sugar consumption of Canada.

Your committee further recommends that if no successful attempt be made in the immediate future by the refineries to increase the facilities for the manufacture of beet sugar, the government should take into consideration steps to accomplish that end.

FOURTH REPORT—GRADING GARNET WHEAT

Your committee has had under consideration an order of reference dated Tuesday, March 15, 1932, namely:

"Resolved: that the report of the committee on grain standards for the crop year 1931-32, in so far as it relates to Garnet wheat, be referred to the select standing committee on agriculture with instructions that the whole subject be inquired into carefully and that the said committee shall have power to call for witnesses, papers and documents and to report to the house its findings.

Attest.

Arthur Beauchesne,
Clerk of the House."

Your committee, in view of the fact that seeding operations will become general throughout western Canada before your committee shall have sufficient opportunity to inquire into and report to the house on the abovementioned order of reference; and in view of the fact that the manner of grading Garnet wheat may vitally affect the acreage sown, recommends that any change in the system of grading Garnet wheat shall not become effective during the present crop year.

Mr. SENN moved that the fourth report be concurred in.

Motion agreed to.

MATURING OBLIGATIONS

On the orders of the day:

Hon. IAN MACKENZIE (Vancouver Centre): Mr. Speaker, may I direct a question to the hon. Minister of Finance (Mr. Rhodes) with reference to certain questions I asked him and which were answered by him on Wednesday. These are the questions:

1. What Canadian obligations are maturing outside of Canada in 1932?
2. How many of these (in amount) are maturing in New York?
3. Are these all payable in gold?
4. How many of these Canadian obligations are owing by: (a) the federal government; (b) the various provincial governments; (c) Canadian municipalities; (d) Canadian railways; (e) other parties?

The answer given by the hon. minister is certainly misleading if not inaccurate. He said:

1, 2, 3 and 4. Dominion of Canada: $55,000,000 payable in gold in New York.

He added certain observations as to the obligations of other parties. I think in view of the fact that the Prime Minister said in a recent debate that we have $1,000,000 a day maturing in New York—

Mr. BENNETT: Not New York, abroad.

Mr. MACKENZIE (Vancouver): Yes, outside Canada. I wonder in view of that if the Minister of Finance will not correct his answer.

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, in answering questions the government can only give that information which is within its official knowledge. Bearing that in mind, the answer to the question is correct. But I know what my hon. friend has in mind, and while we have no official figures with respect to obligations other than those of the dominion, I shall be very happy indeed to give him unofficially the information desired.

IMPERIAL ECONOMIC CONFERENCE

PARTICIPATION OF IRISH FREE STATE—NEWSPAPER DESPATCH

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, yesterday my right hon. friend (Mr. Bennett) referred to a despatch which appeared in the Toronto Star in reference to the possibility of invitations to the Irish delegation being cancelled in certain eventualities. When my right hon. friend made his statement it might have appeared to some that the despatch to

which he referred appeared exclusively in the Toronto Star and was contributed by its Ottawa correspondent. I do not know whether my right hon. friend has investigated the source from which it came, but I am informed that the article in the Toronto Star was from an international news service in New York, and that a similar article appeared in the Toronto Telegram and also in the Montreal Herald, and apparently in a number of other papers, so that its publication was in no sense exclusive, and its source in no way the Toronto Star or any of its correspondents. I mention this because I think my right hon. friend would not wish to create a wrong impression with respect to any one particular publication.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I have investigated the matter further. The despatch appeared under an Ottawa date line, and I can find no other similar despatch. I have not been able personally to exhaust investigation of the various papers, but I have been told just what the right hon. gentleman says, that a despatch somewhat in the same sense—I have not seen it—appeared in two Toronto papers and in a Montreal paper. I have not yet received the clippings to ascertain whether they are the same despatch or not, but the Toronto Star despatch appeared under an Ottawa date line, and apparently it was sent from here. That being so, I thought it was important, in justice to all parties concerned, that a statement should be made in view of the fact that the correspondent of the paper I mentioned had seen the Under-Secretary of State for External Affairs and had received the answer that I have indicated. I will try to see the clippings themselves between now and Monday if I can possibly do so to ascertain if they are the same despatch or not. I am not satisfied myself where it originated because I contented myself yesterday with believing it originated where the date line indicated—Ottawa.

CANADIAN NATIONAL RAILWAYS

ST. WALBURG-LOON LAKE BRANCH LINE

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I desire to direct a question to the Minister of Railways (Mr. Manion) based on a brief letter I have received from Loon Lake, which I believe has been also forwarded to the Minister of Railways. The letter is addressed to me and is dated March 26, 1932.

Mr. SPEAKER: Cannot the hon. member ask his question without reading the letter? He has just stated that the minister has been sent a copy of the letter.

Mr. McINTOSH: With all due deference, Mr. Speaker, there is a paragraph of the letter which I think should be mentioned in order to make clear the point of my question.

Mr. SPEAKER: But the hon. member says the minister has a copy of the letter.

Mr. McINTOSH: All right, whatever you say; I am quite willing to put the question now. I may say this is the fourth time I have asked this question this session; as yet I have not received a definite answer, and this letter is based on the questions I have already asked. The question concerns the steeling of 44 miles of grade between Loon Lake and St. Walburg in the northwestern part of Saskatchewan. I should like to ask the minister what action he intends to take on the petition he has received asking that steel be laid on the graded portion of this line between St. Walburg and Loon Lake. This is a definite question, and I should like a definite yes or no in answer. The time for action has arrived.

Hon. R. J. MANION (Minister of Railways and Canals): The hon. member asked what action was to be taken, and he demanded yes or no in answer. I hardly know which would be the more satisfactory to him under the circumstances.

Mr. McINTOSH: Yes, you do.

Mr. MANION: I think the question was answered, so far as the government could answer it, some weeks ago. The hon. member asked this question and I told him then that the work on this line was in exactly the same position as the work on other branch lines throughout the west and throughout Canada generally. The national railways is not considering going on with practically any branch line work this year, with the exception of a small amount scattered here and there throughout the country, and so far as I know there is very little possibility of this branch line being completed this year.

Mr. McINTOSH: But there is a possibility?

Mr. MANION: There is a possibility of almost anything.

BEAUHARNOIS POWER PROJECT

GUARANTEES BY GOVERNMENT FOR ADVANCES MADE BY BANKS

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I undertook to

answer to-day questions propounded by the hon. member for North Waterloo (Mr. Euler), the hon. member for Vancouver Centre (Mr. Mackenzie), and the hon. member for West Edmonton (Mr. Stewart) with regard to the Beauharnois undertaking. I had prepared to do so, but information was conveyed to me to-day that makes it impossible for me to give the answer I proposed to give, so I should like the questions to stand until Monday when, after having seen some interested parties, I hope to be able to make a statement.

AGRICULTURAL IMPLEMENT REPAIRS

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): Some two weeks ago I directed a question to the Prime Minister which I wish now to direct to the Minister of Finance (Mr. Rhodes), this being the first of April. When the Prime Minister, acting as Minister of Finance, presented his budget last year, he brought in certain schedules having to do with the tariff on repairs to farm implements. Because of representations made by the opposition he decided that these schedules should not become operative until after March 31. It is now April 1, and I should like to ask the Minister of Finance if those proposed schedules are now in operation, or if the government have taken care of the situation by order in council.

Hon. E. N. RHODES (Minister of Finance): Pending the bringing down of the budget I am happy to inform my hon. friend that the matter is being provided for by order in council.

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932, CONSIDERATION OF BILL—MOTION FOR CLOSURE

The house resumed from Thursday, March 31, consideration in committee of Bill No. 24, respecting unemployment and farm relief —The Prime Minister—Mr. Hanson (York-Sunbury) in the chair.

Mr. BENNETT: Before the order is proceeded with, Mr. Chairman, I desire to make the motion of which I gave notice last evening, that further consideration of the title and clauses 1, 2 and 3 of the Unemployment and Farm Relief Continuance Act, 1932, shall be the first business of the committee and shall not be further postponed.

You will observe that the words are "further consideration." Last evening it was impossible to separate one clause from another in the discussion, since hon. gentlemen opposite thought it desirable to discuss all three clauses at the same time, notably my hon. friend from Shelburne-Yarmouth (Mr. Ralston). It is clear, therefore, that there having been some consideration of the measure, the words "further consideration" are correct.

The CHAIRMAN (Mr. Hanson, York-Sunbury): It is moved by Mr. Bennett and seconded by Mr. Guthrie:

That further consideration of the title and clauses 1, 2 and 3 of the Unemployment and Farm Relief Continuance Act, 1932, shall be the first business of the committee and shall not be further postponed.

Shall the motion carry?

Mr. GARDINER: On a point of order, Mr. Chairman, is not clause 1 the question that is before the committee at the present time?

The CHAIRMAN (Mr. Hanson, York-Sunbury): Technically speaking, clause 1 was before the committee, but the committee considered every clause of the bill. As a matter of fact, therefore, all the clauses of the bill have been before the committee.

Mr. GARDINER: On another point of order: Is it possible to have three clauses of a bill considered in committee at the same time? Is it not more correct to say that, in accordance with the ruling of the chair, the committee will now proceed to the consideration of clauses 2 and 3?

The CHAIRMAN (Mr. Hanson, York-Sunbury): I do not know that I should advise the hon. member touching the suggestion which he has just made. I do not understand it to be a point of order. The question is on the motion.

Mr. MACKENZIE KING: Will you please read the motion again, Mr. Chairman?

The CHAIRMAN (Mr. Hanson, York-Sunbury): The motion is:

That the further consideration of the title and clauses 1, 2 and 3 of the Unemployment and Farm Relief Continuance Act, 1932, shall be the first business of the committee and shall not be further postponed.

Motion agreed to: yeas, 103; nays, 50.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I declare the motion carried.

Mr. MACKENZIE KING: The motion which has just carried is, I take it, the application of closure to the proceedings of the committee, which means that so far as members of this house are concerned there is no longer opportunity to elicit by question and answer information with respect to the Un-

employment and Farm Relief Continuance bill, which is before the committee at the present time, or on matters incidental and relevant thereto. It is important that that should be clearly understood. We are not now at the second reading of the bill, but in committee, and as is well known, the purpose of the consideration of a bill in committee is to elicit from the government explanations as to the meaning of the legislation, the intent of the government with respect thereto, and also information as to the extent to which and manner in which expenditures under similar legislation in the past have been made. By this motion, all further opportunity to secure information of the kind is denied hon. members of this house.

Mr. STEVENS: You have all day to-day until two o'clock to-morrow morning.

Mr. MACKENZIE KING: Let this be clearly understood; there can be only one speech on the part of each member in committee. I submit that under these circumstances it is impossible to have any real or adequate discussion. One question may be asked by an individual member but that is all he is permitted; there is no way of following up the discussion in any form.

It is perfectly apparent, Mr. Chairman, that the introduction of closure in this manner at this time is not for the purpose of expediting the enactment of any measure with respect to relief, but clearly for the purpose of shutting off all discussion on the subject. May I make that abundantly clear by referring to the course of the opposition since the introduction of closure at a previous stage in the proceedings of the house. Closure was introduced on Wednesday morning, at which time the resolution was carried and the bill given its first reading. On Wednesday afternoon we proceeded with the next stage of the bill, which was the second reading, when an amendment was moved by the opposition. Had the opposition intended to obstruct, it is perfectly apparent that that was the time at which it would have availed itself of the opportunity to have its members individually speak. As the house well knows, however, there was but one speech from the opposition on the second reading, at which time an amendment was moved, setting forth in two paragraphs the position of the opposition in regard to the measure. That amendment was moved by the hon. member for Vancouver Centre (Mr. Mackenzie). That hon. gentleman made the only speech from this side of the house on that occasion, and when the amendment was voted down not another speech was made on the second reading either from this side or from the other side of the house. Instead, the second reading was allowed to pass in order that the house might go immediately into committee. In the light of that fact it is impossible for anyone to say that action from this side of the house has been in the nature of obstruction to this measure.

May I go a step further and say that when the Prime Minister (Mr. Bennett) last night intimated his intention to introduce closure to-day, he gave the house, as will appear in Hansard, very clear evidence of the fact that he himself had received, from the ex-Minister of Justice (Mr. Lapointe), intimation that we on this side of the house had expected to conclude the committee stage of the discussion yesterday and to proceed with the third reading of the bill to-day. The Prime Minister's words are there, to the effect that that was what he had gathered from the ex-Minister of Justice. The ex-Minister of Justice has since explained, what the Prime Minister himself will know better than anyone else, that no one on this side of the house in regard to any measure that is being considered in committee is in a position to curtail discussion completely. While most of us were hoping and expecting that the committee stage of the discussion would end yesterday, and that the third reading would be proceeded with this afternoon, yet the fact that members of the opposition were unable to get from hon. gentlemen opposite much of the information they were seeking had the effect of prolonging the discussion further than would otherwise have been the case. And for that reason the discussion was not concluded last night. Now, notwithstanding that fact, notwithstanding that we have on Hansard of yesterday the record of the intention of the opposition as expressed by the ex-Minister of Justice to the Prime Minister last night and known by the Prime Minister at the time he mentioned his intention to move this motion of closure to-day, the Prime Minister comes along in the first minute of proceedings in committee to-day and applies closure, affecting all three sections of the bill, though as you, yourself, Mr. Chairman, well know, even the first section has not yet been passed. I quote from yesterday's proceedings at page 1557 of Hansard as follows:

> The Chairman (Mr. Hanson, York-Sunbury): I would ask the hon. gentleman, who knows the rules, to observe them. We are discussing section one of this bill.

As you yourself have said, Mr. Chairman, section one of the bill is the only section that

has been discussed, yet by the most coercive and arbitrary act of which a government is capable, we are being prevented from discussing sections two and three of the measure and discussing at any further length the first section.

May I direct attention to this further fact: During this parliament, this house has had very little opportunity to discuss the question of unemployment and farm relief. There was very little opportunity afforded during the special session, and at the last session it was not until the concluding days in the month of July that the government brought down its measures with respect to unemployment relief. As hon. members know there was no opportunity then to discuss this matter. This year for the first time we have had or at least ought to have had some opportunity to discuss what is involved in this all important question.

What is the nature of the desired discussion? In the first place it is admitted by hon. gentlemen opposite that there has been an expenditure of over $140,000,000 from the treasury of this dominion for unemployment and farm relief.

Mr. BENNETT: No.

Mr. STEVENS: No.

Mr. MACKENZIE KING: I should say, along with those of the provinces.

Mr. STEVENS: And the municipalities.

Mr. MANION: And the railways.

Mr. MACKENZIE KING: I will make it perfectly clear. The expenditure on unemployment and farm relief as taken out of the taxes of the people in one form or another has totalled over $140,000,000.

Mr. STEVENS: That is not correct.

Mr. MANION: The money expended by the railways was not taken out of the taxes of the people.

Mr. MACKENZIE KING: The Minister of Railways (Mr. Manion) says that the part expended by the railroads was not taken out of the taxes of the people. I should like then to know where it came from.

Mr. MANION: The Canadian Pacific Railway Company spent a good deal of money which did not come out of the taxes of the people. That spent by the Canadian National Railways, perhaps, but the Canadian Pacific Railway, no.

Mr. MACKENZIE KING: I will not quibble over a few figures here or there. No one can gainsay the statement that more money has been spent on unemployment relief since the present administration came into power than was required to run the entire government of Canada for a period of any one year during the time of Sir Wilfrid Laurier, or for a period of any two years during the time of Sir John A. Macdonald. That gives some appreciation of the extent to which the taxes of the people are being spent for this particular purpose.

We on this side, under a sense of our obligations, have been seeking to discover how that money has been spent. As it is only a preliminary to further expenditures, we have been seeking to ascertain what policies are going to govern the action of the government in the future. I submit that the discussion of a matter of such colossal proportions and so all-important to the taxpayers of this country should not be restricted under closure within a day and a half of the time it has been entered upon. Action so extreme in character has never been taken by any British government in regard to public taxation.

I will not add more at the moment, Mr. Chairman, except to say that it would be pure pretence for us to seek to take advantage in any way of the little right which remains to us under closure to ask but one question each of the ministry with no guarantee that we will receive an answer. I think it better under the circumstances that we seek to prevent a waste of public moneys by attempting anything which is wholly futile. I shall content myself therefore, by saying that the action of the administration at the present time reduces parliament in its most essential functions to a mere futility and a complete farce, and that we of the opposition do not intend to lend ourselves to participation in any step of that kind.

Mr. BELL (Hamilton): Mr. Chairman, since the beginning of this session, or, at least, from the time that the measure now before the committee was first introduced, we on this side have sat and listened to objections of various sorts, all of which were calculated to produce but one result—to stop the measures which had been put into effect by this government in order to relieve the unemployment situation in this country. We have heard from the hon. member for Prince Albert (Mr. Mackenzie King) and from those who sit behind him, various suggestions as to why this legislation should be balked or brought to an improvident conclusion, but we have not heard, at least up to the time my right hon. friend took his seat, any suggestion why

the relief measures now proposed for this country should be abrogated or not considered as an obligation of this parliament. It must be illuminating to hon. members to hear day after day members of the opposition, either under the direction of my right hon. friend or at least with his approbation, giving reasons why the relief which western Canada and the country has called for should be blocked and made of no effect. The one reason for their action which I have been able to gather from what has been said by the opposition is that instead of adopting the measure now before the house they would propose a better plan, namely, that of bringing into this parliament a proposition—

An hon. MEMBER: Spit it out.

Mr. BELL (Hamilton): I will spit it out and you will not like what I am going to say —which would afford an opportunity of inquiring into and arriving at some means of meeting the situation which must be faced in order to relieve unemployment.

Mr. VALLANCE: This is the hon. member's last chance.

Mr. BELL (Hamilton): I ask the committee to judge the right hon gentleman in the light of what happened in 1924. At that time he called a conference to meet in Ottawa to deal with the very serious question of unemployment. At that time there were present in the house and in the city representatives of practically all the leading municipalities of Canada. My right hon. friend knows on that occasion he sent into his council chamber the then Minister of Labour, Mr. Murdock. What did he do? When the people from the various municipalities assembled here in Ottawa, that same gentleman, under the direction of my right hon. friend from Prince Albert, told them that the Dominion parliament had no interest whatever in the question of unemployment; that it had no responsibility to assume in connection with the matter, and that they should go home and look after their own troubles as best they could. Who will deny that? What does the record say? It says that the right hon. gentleman who now assails the Prime Minister and says that he has done nothing, while the whole country rings with the record of his achievements—

Some hon. MEMBERS: Hear, hear.

Mr. BELL (Hamilton): I am glad my hon. friends opposite admit that. They will not deny it. While the country rings with the record of achievement on the part of the present Prime Minister, the right hon. member for Prince Albert hopes the Canadian people will forget his lack of achievement in 1924 when he had the opportunity but let it slip, with the result that owing to his impotence nothing was done. Surely there is only one result that the people of Canada desire and that is that the man whose statements resulted in nothing shall be judged by his lack of achievement and that the man whose action resulted in everything and who now sits in the office of prime minister, shall once again prevail against obstruction, stupidity and ignorance.

Mr. NEILL: As I have not so far taken part in this debate, perhaps I shall not be accused of unnecessarily prolonging it. I probably shall be, but not justly. The reason I did not take such part was that I regard the matter of the extension of the act for thirty days as of far less importance than the matter concerning which I am going to ask the Prime Minister a question, which is the consideration of what is going to be done in connection with unemployment relief after May 1? There are only twenty-nine days between now and May 1 and the extension of the act will take care of that. The question that the provinces, the municipalities and the Canadian people generally are concerned with is, what provisions are contemplated to take care of conditions which will prevail after May 1. In that connection I wish to ask the Prime Minister if he will be kind enough to amplify or clarify an expression which he used yesterday, in debating the sections now before the house, because it seemed to me, on reading it, as if a few words had been left out of the record. The Prime Minister, as reported on page 1565 of Hansard, made this statement:

> It may be of interest, and I think the committee should know that in furtherance of the views which I expressed a few days ago—

I take the reference to a few days ago—and he will correct me if I am wrong—to be the occasion on which he said it was his determination, as soon as the provincial legislatures had concluded their sittings, to call a conference of the premiers of the provinces to consider the question of future unemployment relief. He goes on to say:

> I have despatched a message to the governments of all the provinces—

It seems to me some words are left out there. There is nothing to indicate the nature of the message. He continues:

> —for the purpose of enabling us to look at this financial position clearly and ascertain to what extent it may be necessary for the dominion to secure funds—

And so on. It seems to me something to indicate the nature of the message is left out there. The message was, I suggest, though I have no business to do so, to the effect of asking the provinces to state what they considered their commitments or responsibilities would be or what sums of money they would require. He then goes on to state:

This we hope to do within the next ten days

One would expect that to read: "This we hope to obtain"—that is a statement of what the provinces require. My question is: will he kindly explain the purport of this message and of his intention? Does it refer to calling a provincial conference which has been suggested for the near future, or was it to ask a definite statement from each province setting forth its contemplated expenditures, so that when the Prime Minister received those statements he would be in a better position, as he says, to submit to the house legislation based upon an intelligent understanding?

As the closure has been introduced and I shall not be able to put any further question, I sincerely trust the Prime Minister will give me the information I desire in the same spirit in which I am asking it, that is of getting information in which I think the whole country is deeply interested. He can turn the question aside by some cryptic expression, but I do not think it would be appropriate. What the country is vitally concerned in today is to know what steps the government is contemplating to take care of the situation after May 1.

Mr. BENNETT: That hardly arises out of the consideration of the sections now before the house.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Shall clauses 1, 2, 3 and the title carry?

Mr. MacINNIS: The few words I have to say in connection with this matter I would rather utter while the Minister of Public Works is in the house, but I see he is not. I think what I have to say can be said under the matter which we are now discussing. I refer to the violation of the fair wage clause in connection with government public works in British Columbia. Unlike what has been the policy in the past, it seems to me from examples I have at hand, the government has in this instance helped in the violation of fair wage rates. As it has sent to the various organizations that work from Vancouver and that are engaged in public works carried on from that city, for their wage rates, and as it has received them, I see no reason why it should not be cognizant of what they are. The particular matter I am taking up now has reference to contracts for wharves at White Rock and Gibson's Landing, British Columbia. This was a work in which bridge, wharf and dock builders were engaged. The rate prevailing in the Vancouver district for that kind of work is one dollar per hour, but the government rate paid on that work was only sixty cents per hour. The rate for foremen on that kind of work according to the wage scale in effect in the Vancouver district was $1.25 per hour, but the rate for foremen which the government was paying was only 70 cents per hour. So we see that the government helped the contractors to break down the wage scale which the workers had for so many years been striving to build up. Not only that, but it seems that in order that that might more easily be done, they asked the contractors not to have different classes of workmen engaged on the job at the same time. I have here a copy of a letter from the pile-drivers, bridge, wharf and dock builders to the Deputy Minister of Labour at Ottawa, from which I quote as follows:

Re: Dominion Government Fair Wages Policy

From investigation conducted by this organization to ascertain the rates of wages paid by the Dominion government for repairs and construction of new wharves, we find that in some cases two fair wages schedules have been prepared by the Department of Labour for wharf builders, one rate of one dollar per hour, which is the established rate, and another rate of sixty cents per hour for the same class of labour.

We are advised that in order to successfully carry out this policy of reducing wages, officials have been advising all concerned to carefully avoid having pile-driving crews and wharf builders engaged on the work at the same time. This we presume was considered necessary in order that one group of employees would not be aware of the rates of wages paid to the others.

I have not much to add, but I wished to bring this to the attention of the Minister of Public Works and of the Minister of Labour. I believe that they have been advised of this situation before. I think it is a bad policy to take advantage of the economic situation to force workers who may get a few days of this kind of work to do to accept lower wages than those prevailing, breaking down the wage standards, especially when the benefit from any reduced scale of wages goes, not to the employees themselves, but to the contractors who have the contract for the work. From what I have seen of the Minister of Public Works in this house, I believe he is willing to see justice done, and I hope he will in future see that the fair wage clause in dominion contracts is strictly adhered to.

Mr. STEWART (Leeds): In reply to the remarks of my hon. friend, the latter portion of which I heard but the former portion of which I did not hear unfortunately owing to my absence from the house, I can only say that it is the fixed policy of the Public Works department to obtain a schedule of rates of wages applicable to the different portions of the dominion based upon the prevailing rate in the locality. In the works which we do by contract the schedule of wages as fixed by the Labour department is adopted and made a part of the contract. The contractor is checked up from time to time and compelled to pay wages on the basis of that schedule. I understood my hon. friend to refer to two pieces of work, one at White Rock and the other at Gibson's Landing. I have no information here in detail about these works, but I believe they were done by day labour, and not under contract. Under those circumstances the department would have to adopt the prevailing rate in the locality, and that is the course that has been adopted. In the matter of relieving unemployment we are rather embarrassed sometimes by a different rate of wages prevailing on provincial work from that prevailing on federal work, and care must be taken not to get these rates too far out of line. I can only assure my hon. friend that in the future as in the past we shall keep in touch with the Labour department and that the schedules as adopted from year to year by that department will be strictly adhered to in our contracts.

Mr. RALSTON: In dealing particularly with section two, which has to do with the laying on the table of the orders in council which are passed from time to time, I want to ask the right hon. the Prime Minister whether or not the orders in council which have already been passed, particularly with regard to the prohibition of the export of gold will be renewed, and whether or not he will limit in any way the exercise of his powers. He intimated to us that he intended to insert some limitation with particular reference to the subject on which those powers would be exercised.

Mr. BENNETT: Mr. Chairman—

Mr. LAPOINTE: I rise to a point of order, Mr. Chairman. If the right hon. gentleman rises to speak, I wish to quote the rule, standing order 39, which reads as follows:

> Immediately before the order of the day for resuming an adjourned debate is called, or if the house be in committee of the whole, or of supply, or of ways and means, any minister of the crown who, standing in his place, shall have given notice at a previous sitting of his intention so to do, may move that the debate shall not be further adjourned or that the further consideration of any resolution or resolutions, clause or clauses, section or sections, preamble or preambles, title or titles, shall be the first business of the committee, and shall not further be postponed; and in either case such question shall be decided without debate or amendment; and if the same shall be resolved in the affirmative, no member shall thereafter speak more than once, or longer than twenty minutes in any such adjourned debate.

The right hon. gentleman having already spoken in answer to my friend from Comox-Alberni, I object to his replying to the member for Shelburne-Yarmouth.

Mr. NEILL: It was no answer to my question.

Mr. BELL (Hamilton): On the point of order, Mr. Chairman, may I suggest to you that the point of order now taken by my hon. friend the ex-Minister of Justice is not well taken and that in any event it only amounts to an endeavour to shut off discussion.

Some hon. MEMBERS: Oh, oh.

Mr. BELL (Hamilton): Laugh again. I love it; I love it.

Some hon. MEMBERS: Oh, oh.

Mr. BELL (Hamilton): I love the eunuch too.

Some hon. MEMBERS: Oh.

Mr. BELL (Hamilton): Once again it is simply an endeavour to ask a question in order to get it put on the record in the hope of being able to tell the country that it has not been answered.

Mr. BEAUBIEN: That is not a point of order. It is a speech.

Mr. BELL (Hamilton): I suggest to you, Mr. Chairman, that my hon. friend's point is not well taken.

The CHAIRMAN (Mr. Hanson, York-Sunbury): The hon. member for Quebec East has very properly quoted the rule. I have some doubts whether I should not have called the attention of the committee to the rule before the debate started after the motion had been carried. I do not understand, however, that the mere answering of a question put across the floor constitutes speaking within the rule. If it does, then it is a very limited and narrow construction of the rule, and it has never been so applied in this house since I have been a member of it for the last eleven years.

An hon. MEMBER: But this is closure.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I would rule that the mere answer-

ing of a question does not constitute a speech, when a minister is replying to a question put to him by a member of the house.

Mr. BEAUBIEN: Suppose I have a question to ask. Does that constitute a speech?

The CHAIRMAN (Mr. Hanson, York-Sunbury): We will go into that when we come to it.

Mr. BEAUBIEN: You cannot apply the rule both ways. It must be one way or the other.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I have ruled that the Prime Minister has not spoken in answering any question in this debate.

Mr. NEILL: Then would it be in order for the Prime Minister to reply to my question now?

The CHAIRMAN (Mr. Hanson, York-Sunbury): He did. Shall sections 1, 2 and 3 and the title carry?

Sections 1, 2 and 3 and the title agreed to: yeas, 63; nays, 40.

Bill reported on division.

Mr. SPEAKER: When shall said bill be read a third time?

Some hon. MEMBERS: Now.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, this is obviously the last opportunity that will be afforded in this house to draw the attention of hon. members, as well as the people of the country to the significance of the debate that has taken place during the past two or three weeks, and of the action which is being taken at the present time.

This, Mr. Speaker, is the third bill which has been introduced in this parliament with respect to unemployment relief. The first bill was introduced at the special session of 1930, and was known as the Unemployment Relief Act, 1930. The second bill was introduced at the second session, and was known as the Unemployment and Farm Relief Act, 1931. The measure which is now before us for third reading is known as the Unemployment and Farm Relief Continuance Act, 1932.

The point I wish to make, first of all, is that this is an entirely new measure. It is not an amendment of any previous measure, existent or non-existent. This fact amply demonstrates the soundness of the position taken by the opposition at the beginning of the debate, to the effect that, if the government intended to proceed this year in a manner similar to that in which it did in previous years, it ought to have followed the same course, and introduced a resolution naming the measure it intended to introduce. It should not have proceeded by a resolution which required amendment, and which, when passed, could not, strictly speaking, be held to be a proper foundation for the bill now alleged to be based upon it.

The resolution, introduced by the administration, as hon. members know, was to amend chapter 58 of the statutes of 1931. As was pointed out at the time, chapter 58 had ceased to exist. We have, in this very bill which has been brought down by the ministry, the statement in the first clause that chapter 58 is no longer in existence, that it expired by lapse of time. Notwithstanding the fact that we pointed out that it was impossible to amend a measure which was no longer in existence, hon. gentlemen opposite persisted in proceeding with a resolution having that end in view and, by devious methods and rulings, contrived on the basis of that resolution to bring in this measure, which, as I have said, is not an amendment of anything but is in the nature of an entirely new enactment. I think I am right in claiming that, had the proper methods been followed, the house would, at least, have been saved many questionable interpretations and the long, tortuous and devious methods which were adopted in order to have it declared that a measure that had ceased to exist, not only had the power of perpetuating itself, but actually had the capacity to give birth to an entirely new enactment. That is what appears on the records of this house as the story of the resolution which preceded this particular enactment.

I can only express the hope that some of the rulings and decisions may never be cited as precedents by any subsequent parliament in this country. I believe the members of the ministry will themselves be the first to blush when, in calmer moments, they review what the records disclose of the means which were taken to bring into being this particular measure.

Now, Mr. Speaker, this is by no means a bill restricted to the providing of unemployment and farm relief. That fact cannot be too strongly emphasized and clearly stated. The bill which is before us at the present time, though it is called and designated the Unemployment and Farm Relief Continuance Act, 1932, is not a measure confined in its provisions to farm and unemployment relief. It is really in the nature of three distinct enactments. One has to do with the providing of unemployment relief. The second has to

do with giving the ministry unlimited moneys for the purpose of expenditure in connection with relief, removing from this House of Commons all control over this expenditure and incidental taxation, and allowing the ministry a free hand with reference thereto. The third important feature is that which takes from this parliament what I believe is its exclusive right, namely, that of legislating on matters relating to peace, order and good government, and of giving to the ministry the power to exercise that right in secret session by order in council. The bill must be regarded as three distinct measures, and such opposition as there has been from this side of the house has related exclusively to that provision of the enactment which deprives the House of Commons of its control over taxation and expenditure, and to the provision which gives to the ministry absolute powers to legislate by order in council with respect to peace, order and good government, which means pretty much anything and everything.

There can be no question that at no time in the course of this whole debate has there been opposition on the part of any hon. members on this side to granting to the government what was necessary in the way of moneys for the purpose of relief, and granting those moneys immediately. I made that abundantly clear when I spoke the other evening and said that not only were we prepared to vote what was necessary for two months in the form of supply, or a grant in aid, if the ministry so preferred, but that we were prepared to vote what moneys might be necessary up to March 31, 1933. I went further and stated that if the ministry were wedded to the phraseology or to any other feature of the enactment of the previous year we would be perfectly agreeable to allowing the measure of relief to be voted under a similar enactment, provided that it did not contain the two objectionable features, the one depriving the Commons of its control over taxation and expenditure, and the other giving to the ministry absolute powers in the matter of legislating with respect to peace, order and good government.

The reason I feel it is important to emphasize that question is that apparently even yet, whether intentionally or unintentionally, a certain section of the press of this country does not correctly represent the position of the opposition in this matter. For example, I have in my hand a clipping from the government organ in this city of the night before last, referring to what transpired—

Mr. BENNETT: What paper would that be?

Mr. MACKENZIE KING: That is the Ottawa Journal.

Mr. BENNETT: I did not know it by that name.

Mr. MACKENZIE KING: I am referring to the Ottawa Journal of Wednesday last.

Mr. BENNETT: I did not recognize it by that name.

Mr. MACKENZIE KING: I am not attaching importance at the moment to the fact that this is the government organ in Ottawa; I am rather attaching importance to the extent to which a large section of the press appears, up to the present time, to have misunderstood the significance of such action as has been taken by the opposition during the course of this debate. The article is headed:

Liberals Fail In Effort To Kill Relief Legislation
Opposition Amendment Is Rejected 100 To 64

Some hon. MEMBERS: Hear, hear.

Mr. MACKENZIE KING: I hear some hon. gentlemen opposite say "hear, hear," with regard to the statement that the Liberals failed in an effort to kill the relief legislation. I think I have made it abundantly clear that the Liberals have been prepared from the outset to grant immediately, and to whatever extent might be required, whatever was needed in the way of relief legislation. What the Liberals have failed to kill is the action of the government which deprives the House of Commons of its control over taxation and expenditure incidental to relief; what the Liberals have failed to kill is the autocratic action of the government, by the use of closure, to gain for itself the right to legislate by order in council with respect to peace, order and good government, a right which under our constitution it was never intended that parliament should be called upon to part with in any particular. That is what the Liberal opposition, despite all its efforts, has failed to prevent up to the present time.

Now may I present a point of view to hon. gentlemen opposite, to members of the Conservative party as Conservatives, which I would ask them to consider carefully before this measure is given third reading. It is an aspect which has been very much in the minds of those of us who have taken the stand that has been taken with regard to this measure; it is a point of view I have already presented in general words but which I wish to present now in concrete form. Whatever is done in this house of an important nature, becomes in course of time, a precedent. We are living in troublous times; we are living in an age

where conditions are rapidly changing, and it is quite conceivable that before many years have elapsed we may have sitting on the ministerial benches of this parliament instead of a Conservative government, that is supposed to be the guardian of all Conservative action, let us say a Socialist administration of an extreme type. Let us assume that the ministry of that day, confronted with a period of depression, decides to obtain power to secure from parliament, at a single stroke, all that it may wish to have for purposes of public expenditure on relief and social services of one kind or another, also authority to enact whatever laws it desires, quite irrespective of parliament. Where would such a ministry find precedent for such action? It would find it in the methods of hon. gentlemen opposite, find it in the action they are taking to-day.

Mr. BURY: May I ask a question?

Mr. MACKENZIE KING: I do not wish to be interrupted. It would appeal to the records of this house, to what took place in the parliament of Canada during the month of March and on April 1, 1932, and it would find there that despite a vigorous opposition by those who sought to protect the very foundations on which parliamentary government rests, and to preserve the constitution and all that the constitution stands for, the Conservative government of this day had established the precedent that a ministry may, by use of closure, secure to itself power to obtain from the public treasury whatever sum of money it wishes, naming no amount, and take to itself unlimited authority in the matter of legislation by order in council.

I say, Mr. Speaker, that establishing a precedent of the kind is a pretty serious situation, and I cannot understand how any hon. member of this parliament who takes his duties seriously and who regards himself as a guardian of the liberties of the people, can lend himself to action of the kind. That is the real significance of this whole debate. It is not a question of the voting of relief, as I have already said; that we have all been agreed upon from the beginning. But what those of us on this side have strenuously opposed is the sanctioning of a course which torpedoes all that there is in the way of established parliamentary practice and procedure, and submarines the very constitution of our country. That is the significance of the fight we have put up here and I say, Mr. Speaker, that we would be unworthy of our positions as members of this house if, recognizing the danger in the form in which I have presented it this afternoon, we did not exhaust every possible means to prevent the enactment of any measure that would establish a precedent of the kind.

Now may I give a further reason why it is important that we resist to the nth degree. Hon. gentlemen opposite have been citing, as one of the reasons why they should have the right to introduce this enactment this session, the legislation that was passed last session. They say, "There is the statute of last year, and all we are asking is that we reenact what was done last year." Hon. gentlemen know very well that last year we put up as strong an opposition as we possibly could to the measure then introduced. We pointed out its arbitrary features; we pointed out its revolutionary features, but at that time there was existent, considering the period of the year when the measure was brought in, what to all intents and purposes was closure. The bill was not brought in until the month of July, after a very long session of parliament, and members could not be kept together in this house for a prolonged struggle, with the conditions that then existed. So we had to content ourselves with placing our position on record, but in doing so we in no way acquiesced in the legislation that was going through. Indeed, we did not cease our opposition until the Prime Minister gave parliament the solemn undertaking that the measure then before the house would be amended in committee so that instead of expiring on March 31 it would expire on March 1, thereby assuring to the House of Commons, when it assembled this year, full opportunity to pass a new measure which in no way would usurp its rights while parliament was in session as the measure of 1931 did, for the period when parliament was not in session.

So I say that, having had repeatedly drawn to our attention the fact that whatever is done at one session is going to be made a precedent for what may be done at another session, we have had no alternative but to continue our opposition to the present measure until the government, by the drastic action it has taken, made perfectly clear to the country that even if they had to go the length of coercion and use a weapon with which to defeat those who were fighting for the maintenance of free institutions, they were determined to use that weapon as often as might be necessary to accomplish their ends. For that reason, and that reason only, have we ceased even for a moment our opposition to the two objectionable features of this measure to which I have referred.

I shall not weary the house with any lengthy quotations with respect to the rights and duties of the House of Commons on matters of control of taxation and public expenditure and the rights of the house with respect to legislation; but the Prime Minister and other speakers have placed on record one or two quotations by which they support the position they have taken, and I shall therefore give a quotation or two from outstanding authorities in regard to the solemn obligation of the House of Commons touching the control of expenditures. These quotations represent the grounds upon which our opposition to the action of the present administration has been taken. The Prime Minister, in his speech at the time of introducing closure, quoted from Redlich's The Procedure of the House of Commons. I hold in my hand volume 3 of Redlich, which contains the quotation given by the Prime Minister. I am going to refer to that quotation before I conclude my remarks, but, in the meantime, I wish to quote from a page that is removed by only a few pages from the one from which the Prime Minister quoted. It is from chapter 4, the chapter dealing with the history of financial procedure, and it sums up in a couple of paragraphs the view of this great authority on the obligation of the Commons with respect to matters pertaining to financial procedure. At page 159, chapter 4 begins as follows:

> At the first glance there does not appear to be much to learn from tracing the history of the forms of financial procedure. The motive power in financial development is not to be found in procedure, but in the growth of constitutional principles, in the acquisition by parliament of the sole right to grant taxes and in the further evolution of the predominance of the Commons as the true representatives of the nation. We have already referred to this development, which, so far as it bears on our special subject, was completed by the Revolution of 1688.
>
> But there is something more to say. The fundamental principle just referred to secures only one of the great functions of parliament with regard to money matters. Soon after the great change made at the end of the seventeenth century, political experience showed that a second principle must be established before the foundations of parliamentary government could be regarded as secure.

I ask you, Mr. Speaker, to note these words:

> Before the foundations of parliamentary government could be regarded as secure—

Another great principle had to be recognized, and it was this:

> It was necessary to give to the Commons full and unrestricted control over the destination of the money spent, to enable parliament to check its application and to see that the expenditure corresponded to the grants made.

I ask, sir, was there ever a quotation which came to a legislative body so pregnant with meaning as this quotation comes to this House of Commons this afternoon, when, by the action of the Prime Minister and his government, the committee of this House of Commons has been denied all right to endeavour to check the application of moneys, to see that the expenditure corresponded to the grants made, and to exercise its unrestricted control over the destination of the moneys spent. Let me go on:

> The working-out of this principle led by degrees to the present financial apparatus of the House of Commons. The form of a bill of supply and the division of parliamentary business between the two money committees of the whole House had long been in existence. But from 1688 onwards the development of law and practice in finance procedure took a new turn: the old framework was retained, but a new spirit was breathed into all the forms of financial management, especially those relating to the expenditure of the state, and the administration of the moneys placed at the disposal of the government. The complete realization of the idea of parliamentary control reacted upon the whole organization of financial administration, just as the vast extension of the latter determined the way in which the great task of modern parliamentary government—direct parliamentary control over the whole of the national finances—reached its present shape. The result of the whole process has been to establish in actual fact the vital principle of modern parliamentary government—that of the full sovereignty of the nation's representatives in disposing of the financial burdens borne by their constituents.

Could anything be more emphatic as to what lies at the very foundation of parliamentary government, and which, as this high authority says, is the great task, the vital principle of parliamentary government and the greatest of all responsibilities that rest upon members of the House of Commons? Yet it is that right, that duty, that obligation which is being denied this parliament by the bill which we are asked to support at the present time on its third reading.

May I now quote from another great authority, Colonel A. J. V. Durell, C.B., in his The Principles and Practice of the System of Control over Parliamentary Grants—the leading authority on this subject. Redlich was dealing with the financial aspect. Durell, in the part I am going to quote, deals more particularly with the constitutional aspect. At page 3 in the chapter on the House of Commons he says:

> 'It is one of the old standing principles of our constitution that the House of Commons should control the finances of the country. That is the

right, privilege, and duty of the house. It has been achieved by means of struggles lasting through centuries, beginning from the fourteenth century down to the seventeenth century, when it was fully confirmed, and since then it has never been practically disputed.' 'Ut quod omnes tangit, ab omnibus approbetur.' The quotation by Edward I of this legal maxim transmuted it into a great and constitutional principle. In other words, the cardinal principle on which the whole of our financial system is based is that of parliamentary control, and by this is understood not the control of parliament in its constitutional sense as composed of Sovereign, Lords, and Commons, but control by the Commons alone. 'Upon this fundamental principle, laid down at the very outset of English parliamentary history and secured by three hundred years of mingled conflict with the crown and peaceful growth, is grounded the whole law of finance and, consequently, the whole British constitution.'

The most ancient, as well as the most valued, prerogative of the House of Commons is the right of supreme control over taxation, to which the right to control issues is a natural corollary. The prohibition of raising taxes without parliamentary authority would be nugatory if the proceeds, even of legal taxes, could be expended at the will of the sovereign. The right, therefore, of appropriation was a logical consequence of the right of levying supplies. 'The chain of historical evidence undeniably proves that a previous and stringent appropriation, often minute and specific, has formed an essential part of the British constitution.' Though the practice of appropriating supplies, in a general sense, is of early origin, that of appropriating them to the specific purposes for which they were granted did not become an established usage until the Revolution, when the principle that 'the grant of supply, and the control of public expenditure in conformity therewith, belongs inalienably to parliament, and pre-eminently to the House of Commons' was formally incorporated amongst the maxims of the constitution, and in the early days provision was made for severe penalties for diversion or misapplication. The control over public expenditure which resulted therefrom has, more than any other cause, vested in the Commons the supreme power of the state. 'It is, indeed, ultimately to the power of the purse, to its power to bring the whole executive machinery of the country to a standstill, that the House of Commons owes its control over the executive. That is the fountain and origin of its historical victories over the other organs of the state; and since that power was recognized and confirmed towards the end of the seventeenth century, the House of Commons has remained, whether reformed or unreformed, whether corrupt or incorrupt, the chief arbiter of the national destinies.'

Yet, in the face of a statement of the constitutional position, such as is there expressed by this eminent authority, and which every one knows to be the only true position, we are being asked this afternoon by the power sought by the executive through this measure to stab the constitution of the country at the very heart and destroy, to the extent to which it may be possible to do so in the course of a short time, the very foundations of government in this Dominion of Canada. I shall quote further from two brief paragraphs in the same chapter. The first on page 9 reads:

> The supreme control of the commons over public grants, as already mentioned, necessarily demands the complete right of control over the manner in which those grants are spent. This second right must be inseparable from the first if the control over the grants is to be effective; but it is a right which was not claimed nor enforced by the House of Commons until long after the right of control over supply had been established.

And on page 10:

> In its constitutional aspect then, the English system of finance and the rules of financial administration are based upon the principle of supreme control by the House of Commons, and the machinery, by which it works, has been built up, developed, extended or modified to meet the requirements of that principle.

It is this most important, most sacred and most far-reaching of all the principles which underlie British constitutional procedure, practice and government that we are being asked by the ministry of the day to violate in the measure now before the house.

That is one aspect of the constitution which we are being asked to violate by this legislation. The other is the right of parliament and of parliament only to do what may be necessary in the way of legislating. I fail to understand how hon. gentlemen opposite could have been led so far astray in their thinking on this matter as to forget the very constitution of the country. I suppose that almost every schoolboy in the land, when he begins to study constitutional questions and matters pertaining to parliament, is taught the provisions of the British North America Act. What does this act say with regard to legislation concerning peace, order and good government? I read from the British North America Act as I find it bound with these Parliamentary Rules and Forms in Beauchesne's volume so entitled. Section VI, which is headed Distribution of Legislative Powers, contains the following subsection entitled Powers of the Parliament:

> 91. It shall be lawful for the Queen, by and with the advice and consent of the Senate and House of Commons, to make laws for the peace, order, and good government of Canada, in relation to all matters not coming within the classes of subjects by this act assigned exclusively to the legislatures of the provinces; and for greater certainty, but not so as to restrict the generality of the foregoing terms of this section, it is hereby declared that (notwithstanding anything in this act) the exclusive legislative authority of the parliament of Canada extends to all matters coming within the classes of subjects next hereinafter enumerated, that is to say,—

Then follows the enumeration with which all hon. members are familiar. Is there any word anywhere in the British North America Act which says it is lawful for the executive as distinguished from parliament to legislate with respect to peace, order and good government? Is there one clause in the constitution of our country which gives to any Prime Minister and his colleagues the right to do that which is assigned only to the parliament of Canada as a whole? We cannot afford to allow any ministry to take from parliament that which is given to it by the constitution of this country as its exclusive right and obligation. The right to legislate respecting peace, order and good government is a right assigned not to the ministry but to parliament itself. As we have said repeatedly, why have a parliament at all if the ministry is to be allowed to exercise this power? Peace, order and good government include virtually everything. The ministry have so recognized this fact because under it they have amended the Bank Act and the Insurance Act, have dealt with the finances of this country, have increased the mounted police force and performed various other acts coming within the subjects enumerated as those belonging to parliament.

With the unlimited money they will receive under this bill, with the power they will have under peace, order and good government to legislate on anything they wish, they could if they so desired create a standing army to overawe this parliament, and, do so in virtue of the powers which this house is being asked to give to them by this bill at the present time. That no doubt is the kind of thing the Prime Minister would like to bring about: to establish himself as a dictator, as a second Cromwell in his day, but I say that, before we return to the days of the revolution, we shall do our utmost to prevent a reversion to any condition such as that.

Let me ask my hon. friend—I will refer particularly to the Secretary of State (Mr. Cahan) because I think he has some conscience in these things—how would he feel if a socialist government were in office at the present time and, under the rights claimed by the ministry of which he is a member, attempted to legislate with respect to peace, order and good government, and to deal with the very subjects with which he and his colleagues have dealt? How would he feel if they passed an order in council to amend the Bank Act without any reference to parliament? How would he feel if they said that, by virtue of a situation which had arisen, the banks of the country should not longer be permitted to carry on their business under the provisions of the act which parliament had enacted; that it was necessary to amend that act, and then proceeded, by order in council, to amend the Bank Act? That is what has been done under provisions of the enactment similar to this measure.

Let us consider the question of insurance companies. How would my hon. friend view the action of a socialist ministry which said: We do not care what the law is with respect to insurance companies, we are going to pass by order in council the legislation which we think is necessary in this time of crisis to make these insurance companies do whatever we believe to be in the interests of the country.

Mr. CAHAN: I assume my answer may be reserved until the right hon. gentleman concludes?

Mr. MACKENZIE KING: I should imagine that my hon. friend would want to reserve it for a long time.

That is the position in which we are at the present time. May I go a step further? Under orders in council which have been passed by virtue of this authority to legislate on peace, order and good government, the government has dealt with the question of the currency, the gold of this country. How would my Conservative friends feel if a socialist government in office, using the precedent of the action taken by the present ministry under authority to legislate on peace, order and good government, started forthwith to have the printing presses of this country manufacture whatever money they wished and to distribute that money broadcast, giving as a reason that this was necessary in order to meet a situation which existed?

Mr. BELL (Hamilton): Don't worry; there will not be any socialist government.

Mr. MACKENZIE KING: I hear an hon. member opposite say that there will be no socialist government. May I say to him that this is the kind of thing that breeds socialist governments of the most extreme type. This is the sort of thing that would provide any government with the weapons it might need in order, if it so desired, to deal in a subversive manner with the constitution and other rights of the people.

Mr. HEAPS: Does the right hon. gentleman mean to infer that if a socialist government came into power these would be the only means it would use to achieve its objective?

Mr. MACKENZIE KING: I do not wish to be construed for one moment as suggesting what a socialist government would do. I am endeavouring to place before hon. gentlemen the position as it would present itself to them if a socialist government attempted to do what they themselves are doing. I do not believe that any government, socialist or otherwise, except this one would attempt to go the autocratic lengths that hon. gentlemen opposite have gone, but I do say that any government would find ample justification in the form of precedent for any extreme act, in the action of hon. gentlemen opposite in this particular measure which gives to the government of the day the authority which it does. That is the point I wish to make.

We all know very well that extreme action of the kind for which hon. gentlemen opposite are responsible does not come about in a day. Arbitrary authority helps to breed arbitrary authority. The enjoyment of a certain amount of absolute power creates an appetite for more in the way of absolute power, and finally absolutism knows no bounds. That is the point we have now reached so far as the Prime Minister and his colleagues are concerned.

Let us consider the stages by which the present bill has come into being. It represents an evolution in the growth of autocracy in this country. And let me ask where is a country likely to land, once it abandons known and established methods of financial procedure and once it does not hesitate to undermine the foundations of constitutional government? There have been three steps. The first was the legislation of the special session. When the special session was called, we had reason to believe it was chiefly for the purpose of dealing with the question of unemployment. That was the impression throughout the country. As a matter of fact, as all hon. members know, the greater part of that session was taken up in raising the tariff and giving to the ministry of the day autocratic powers with respect to it, autocratic powers which they have exercised in a very arbitrary manner since they have become possessed of them.

But in regard to unemployment relief, what was done? Were the known and constitutional methods of procedure adopted at that special session? We all know that in the voting of supplies for any purpose there are two considerations the House of Commons is accustomed to observe. One is to fix a definite limit of time, which relates itself to the financial year, to whatever is being spent. The other is to designate specific purposes for which appropriations are being made. Whether appropriations be in the form of supply to His Majesty under a supply bill or in the form of grants in aid under special legislation for the purpose, they usually have this in common, that they recognize a financial year, and sums appropriated are designated for specific purposes. Had that course then been followed, we might not now be so far along the way in rejecting fundamental principles as we have come, but it was not followed. The ministry, first of all, did not ask parliament for just enough money to deal with unemployment relief until the regular session might be held. They asked for an amount very much in excess of what was required prior to the meeting of the regular session. We met in September, 1930. They ought to have asked for what was necessary up until March 31, 1931. Then, before March 31, they should have come to the Commons and asked for the additional amount they needed under a supply bill. But they did not do that; they asked for $20,000,000, and from the records we know that only four or five millions of that amount was spent before the end of the fiscal year. The rest of that money was, almost in its entirety, spent in the following year. The expenditure of a new fiscal year was made under the authority of an act which related to a previous fiscal year. That was, to begin with, a wrong step.

In the second place, instead of endeavouring in any way to specify to the House of Commons where that money was to go, indicating that some of it was to go to the provinces, some of it to certain public works, some of it to be used in the form of direct relief and so on, as would have been the proper procedure, the government did not so designate, stated no specific amounts, but asked merely for this lump sum in general terms for the relief of unemployment. That again was a departure from known financial procedure in the house, and it has helped to lead to much of the difficulty in which we now find ourselves.

The first enactment had this redeeming feature: it had a certain outward appearance of conformity to some of the rules which govern financial appropriations in the house. It named an amount. That was one feature which at least conformed in appearance to what had always hitherto been done in parliament. It is true the amount was excessive. It had no real foundation on any properly considered estimate, but it was named. Moreover, there were words, more or less general, it is true, by which were indicated the uses

though not specific, to which the money might be applied. There was thus, up to a certain point, the saving grace of appearance.

An incipient dictatorship was in this way introduced in the first measure. That was what it amounted to, through the government being given a very large sum of money, much larger than it needed for the completion of the fiscal year, a sum to do with pretty much what it pleased. There was moreover conferred upon the ministry, by the general terms of the act, the power to disregard any real control by the Commons or parliament. So, when we come to the next year, 1931, we find the government going a step farther. At the session of 1931 they abandoned even the appearance of trying to conform to the methods of parliamentary procedure, and they asked parliament to give them a blank cheque. They asked for power to take an unlimited amount of money out of the treasury which means the power of granting taxes to an unlimited amount. Never before in the history of any British parliament has that been done. I ask hon. gentlemen opposite, if they can, to cite a single instance where any parliament was asked by a responsible ministry to part with its right of controlling taxation and expenditure by appropriating moneys without limit to the ministry of the day. This autocratic ministry, however, claimed, and not only claimed but secured this power, under what to all intents and purposes in the last session was a species of closure.

That was going pretty far, but the ministry went further. Not satisfied with having, under these general terms, secured all the money it needed to do with as it pleased, it demanded and secured also the power to legislate as it pleased, that sacred right which belongs only to parliament, and for the sake of which parliament exists. They have thus taken to themselves the power to make new laws. Do not let us deceive ourselves. It is laws that are being made in secret session of executive council. These hon. gentlemen made laws with respect to banking, insurance, the police force of the country, with respect to many objects that were never contemplated at the time they obtained from parliament the power they did. In addition they have created new offences and penalties in the way of fines and imprisonment, penalties which stand to-day as part of the law of the land. All of this power was taken away from parliament. What is parliament for if it is not to protect the people with respect to the laws which shall govern them? What do we mean by self-government? Why have a parliament, if a ministry is to have rights and powers of this kind?

[Mr. Mackenzie King.]

One would imagine it was impossible for a ministry to go further than that, but hon. gentlemen opposite have done so. Having tasted absolute authority to the exent I have mentioned, they were determined to extend it still further if they could. There was one limitation and one only which they put on their action of last session; it was put on as a result of the vigorous opposition that was urged on this side. It was this: We contended that at no time, whether parliament was in session or not in session, should any such absolute powers be given to a ministry. My right hon. friend the Prime Minister saw something of the force of our objection. He would not admit its force for the period in which parliament was not in session, but he had not the countenance to force that measure through under closure, if need be, in a form which would yield those powers to the ministry while parliament was in session. Although he brought in the act with the expiration of its provisions originally fixed at March 31, when it was pointed out to him from this side over and over again that parliament would be in session on March 31 and all through the month of March, he himself said that he would change the date to March 1, and he changed it. Why? In order, so he said, that there would be no question of usurping the powers of parliament. Last year, he saw that his action meant the usurpation of the powers of parliament, but since then, under the exercise of autocratic power, he has become more and more indifferent to parliament. This year he comes along and says: I will now go a step further; I will usurp the authority of parliament, while parliament itself is in session, and I will do something more than that, and this I think, Mr. Speaker, is the most amazing thing that any Prime Minister ever did. He said: I will go the length of giving reasons to parliament why its power should be usurped. He gave his reasons, and I will, in a moment or two, quote them to the house. I am pointing out now the length to which autocratic methods, once they are countenanced, may carry a ministry even in a free country.

What is the situation at the present time? We have a measure before us which asks us deliberately to allow our rights to be usurped during the time that we are in session here. The provisions of this measure apply from the first of March to the first of May. I assume that parliament will still be in session on the first of May, that we are going to be in session here all the time between now and the first of May. Whether parliament is in session or whether parliament is not in session, the

present ministry is determined to have power which will enable it to secure and to spend all the money it pleases, which is the equivalent of imposing taxes to the extent it pleases, and to legislate just as it pleases, irrespective of both houses of parliament and of His Excellency the Governor General who, it must be remembered is also one of the constituent elements of parliament. That is the position to which we have been brought. Hon. gentlemen may hesitate to accept my word with respect to what I have been saying.

Mr. BELL (Hamilton): You bet.

Mr. MACKENZIE KING: Well, perhaps the hon. gentleman will accept the word of the Prime Minister. I regret that I cannot, after what the Prime Minister said to this parliament last session. Let me give the quotation.

Mr. BELL (Hamilton): That is very different. His word is worth something.

Mr. MACKENZIE KING: Here is what the Prime Minister said in the last session of parliament, after the opposition had stressed the importance of parliament reserving to itself its right in these matters, especially when parliament was in session. My right hon. friend is reported at page 4448 of Hansard of 1931 as follows:

> Mr. Bennett: I am not without full realization of what is involved in the bill, but in order to meet my right hon. friend I will shorten the time to March 1 and make it clear that we have no desire to usurp powers as was suggested.

No desire to usurp powers as was suggested.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: That is the reason why the date was changed from March 31 to March 1, so that the rights of parliament would not be usurped while parliament was in session. But this year the Prime Minister brings in a bill in which he says that these same powers shall continue, not until March 31, the date he had originally set in last year's measure, but until May 1, and for two months the powers of this parliament are to be usurped. That is the only interpretation that can possibly be put upon what this bill proposes. I asked the Prime Minister the other night what he meant when he changed the date and made that statement last year to parliament. I say that when he made that statement to parliament he was giving the word of the Prime Minister of Canada to the parliament of this country, and that word ought to have been respected above everything else.

Mr. BENNETT: May I interrupt the right hon. gentleman? That word has been respected.

Mr. MACKENZIE KING: In what way?

Mr. BENNETT: Just in this way. I undertook that I would not usurp the power of parliament and that parliament would be called together in order that parliament might itself extend the power, and that we would not take it otherwise.

Mr. MACKENZIE KING: We hear the Prime Minister now say that what he was going to do was to call parliament together so that there would be no danger of usurping the power of parliament.

Mr. BENNETT: And we did.

Mr. MACKENZIE KING: I am glad that my right hon. friend has interrupted. Now let us see what he said to parliament the other night, this after parliament had been called together. He made pretty plain the other evening his view of parliament, and what parliament amounted to in regard to this very enactment. My right hon. friend, in introducing closure, made a speech in which he said more than he intended to say, and in which he publicly revealed his mind perhaps a little more than he had disclosed it even to his own colleagues. At any rate, here are his words. I ask that they be considered in connection with the explanation, which the Prime Minister has just given, of the meaning of his words last session. In the Hansard of March 23, 1932, at page 1414 my right hon. friend says:

> I would not ask this power—

That is the arbitrary power that he now seeks, this power to legislate by the ministry in regard to peace, order and good government apart altogether from the Commons or parliament itself:

> I would not ask this power from any parliament except reluctantly, and I so stated when I introduced the resolution the other day.

I think that "I" is rather significant. "I" would not ask for this power: "I" want this power. There is the voice of the dictator, if you wish. "I" want this power and "I" am going to have it. "I" would not ask for it if "I" did not need it.

Mr. BURY: What about "I" would not give a five cent piece?

Mr. MACKENZIE KING: The Prime Minister goes on to say:

> We do not believe that this power will be called into play; nay, more, we sincerely and fervently hope that it will not be. But, sir, what is a man without a weapon in the midst of armed force?

There we see what was in the mind of the Prime Minister. He says he needs a weapon. What is the weapon he is going to take?

An hon. MEMBER: And we are going to give him the weapon.

Mr. MACKENZIE KING: Yes, but it is a weapon to beat your own back and to destroy your own rights. It is a weapon which takes away from the constituents you represent in this parliament their right to be represented and heard here with respect to all the laws that are passed. That is the weapon you are giving. Now, may I read further what the Prime Minister said, having discovered what was in his mind:

> What is a man who has no instrument for his protection in the midst of the strife of brigands?

As the hon. member for Quebec East (Mr. Lapointe) said the other day, he did not suppose that hon. gentlemen opposite would think that that reference was to themselves, because they are the Prime Minister's support. They give him the power, they are the ones that give him whatever enactment he likes. The Prime Minister said:

> What is a man who has no instrument for his protection in the midst of the strife of brigands? Without this power we should be without a weapon that could be used except through a bill in parliament.

Note that exception, Mr. Speaker—"except through a bill in parliament." The Prime Minister says he would be without a weapon except through a bill in parliament. What does that mean? Is not a bill in parliament the only weapon that any ministry ought to have the right to use?

Mr. BENNETT: That is what we are getting. The bill is here.

Mr. MACKENZIE KING: Is not a bill enacted by the people's representatives the only weapon a ministry should have, not the excepted weapon. Is not that the only weapon which the ministry should have? My right hon. friend says:

> Without this power we should be without a weapon which could be used except through a bill in parliament.

Mr. BENNETT: And we got the bill.

Mr. MACKENZIE KING: I challenge anyone opposite to refute this statement. Up to the present time, when a ministry has wished power for any purpose, it has come to parliament and secured the necessary legislation for a specific purpose—not for the purpose of obtaining a weapon that can be used in each and every direction, not for the purpose of getting a weapon that if need be can be used against its own following; it has stated its position to the Commons and the Senate and made such an appeal to reasonableness as would enable it to get the legislation it needed. Here, Mr. Speaker, we are confronted with the difference between government by force and government by consent. With respect to law or government, in the matter of sanctions, there is no alternative except that of force or consent. The Prime Minister says: I will not carry on government by consent of parliament, I am no tgoing to be controlled by legislation, to be enacted by parliament, I am going to secure a weapon that will enable me to govern by force, a weapon that will render me independent of legislation altogether, independent altogether of parliament.

Let us go a step farther. Hon. gentlemen opposite may be a little surprised when they come to realize the extent to which the Prime Minister went in supporting his view. In giving reasons why the authority of parliament should be usurped, what did he say in the next sentence? Let hon. members listen to this:

> —and with the strange views that obtain in these days there is no assurance that the mind of the government would be sufficiently strong to secure consent for any measure it might introduce.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: Now, I ask you, Mr. Speaker, is there anything left? The Prime Minister says—this refers to his own following.

Mr. BENNETT: No, it does not.

Mr. MACKENZIE KING: They are the majority, they have got the power.

Mr. BENNETT: Parliament.

Mr. MACKENZIE KING: The Prime Minister tells us now that it refers to parliament. Very well. He says: I feel that today parliament would not do the things I want to have done. Therefore, I am going to take this power to do what I please, whether parliament is in session or not. That is the position, that is the only meaning the words can have.

Mr. STEVENS: You have taken it away from its context.

Mr. MACKENZIE KING: Not at all.

Mr. STEVENS: No, you have segregated it from its context.

Mr. MACKENZIE KING: I will bring the sentences all together afterwards. In the meantime let us have no doubt about it

Mr. STEVENS: It is a distortion.

Mr. MACKENZIE KING: There is the position. Notwithstanding that my right hon. friend has a majority in the House of Commons, notwithstanding that he has a majority in the Senate, notwithstanding that, so far as party influence goes, he has a majority in both houses, he says: With the curious notions that are going about to-day, I do not believe I could get consent for the things I want to do; therefore I am going to get this right to do what I please by order in council.

Mr. BENNETT: That is not what was said. What was said was that you could not get consent for legislation by bill that might protect this country in point of crisis, and therefore recourse had to be had to this bill in order that parliament might protect itself against just such ideas. That is what was said.

Mr. MACKENZIE KING: Well, we will let the Prime Minister's words speak for themselves.

Mr. BENNETT: Exactly.

Mr. MACKENZIE KING: May I go a step farther. Ever since there has been a parliament, when a ministry had to deal with a question, it had to subject itself to the laws of parliament, and, if it wished additional powers for any specific purpose, it had to get those powers from parliament. Why should the present Prime Minister be given powers that the great prime ministers of the past, Macdonald, Mackenzie, Laurier, Borden, never even thought of suggesting that parliament should give them? We have not a situation of the sort to-day that demands such extraordinary powers on the part of a government. Let us go a step further with the Prime Minister's statement:

> And from what we know and have seen, we should certainly be opposed with respect to consent.

In other words, he says: We know that parliament would not give its consent to what we say is necessary. Therefore, we are going to get this power in order to do what we please without consulting parliament. But may I point out the significance of the next sentence. Up to the present time, my right hon. friend has been referring to the House of Commons. But parliament consists of the Senate as well as the House of Commons. What does he say about legislation which requires the consent of the Senate?

> Then the matter would go its weary way, for there is another chamber to be considered before legislation is enacted; and in the meantime the injury may be done.

In other words: We do not propose to allow the Senate, which is on a par with the Commons in authority, to have any voice in the legislation that we want, we are not going to listen to them, we are not going to permit them any authority.

Mr. BELL (Hamilton): You were going to abolish them.

Mr. MACKENZIE KING: The Prime Minister has abolished them in this legislation. He has abolished them effectively. He states he will not even allow their voice to be heard in legislation which may be necessary. Now, Mr. Minister of Trade and Commerce, so there may be no mistake as to the sense, let me read this passage, which I believe will go down in history as the most extraordinary assertion of autocratic intention ever made by any prime minister in the world.

Mr. STEVENS: It is wholly distorted from its context.

Mr. MACKENZIE KING: The quotation discloses clearly his belief in force rather than consent in the matter of government—

Mr. STEVENS: No.

Mr. MACKENZIE KING: —and which for that reason I will repeat.

> I would not ask this power from any parliament except reluctantly, and I so stated when I introduced the resolution the other day.

Here I make a slight hiatus.

> We do not believe that this power will be called into play; nay, more, we sincerely and fervently hope that it will not be. But, sir, what is a man without a weapon in the midst of armed force? What is a man who has no instrument for his protection in the midst of the strife of brigands? Without this power we should be without a weapon that could be used except through a bill in parliament; and with the strange views that obtain in these days there is no assurance that the mind of the government would be sufficiently strong to secure consent for any measure it might introduce. And from what we know and have seen, we should certainly be opposed with respect to consent. Then the matter would go its weary way, for there is another chamber to be considered before legislation is enacted; and in the meantime the injury may be done.

I think I did the Prime Minister a kindness when I read the passage section by section instead of reading it as one paragraph. I must thank the Minister of Trade and Commerce for causing me to give the paragraph in its complete and concise form.

Mr. STEVENS: The right hon. gentleman did not read it in a concise way. He left out a very substantial portion in reading the alleged paragraph.

Mr. MACKENZIE KING: What did I leave out? I left out something for the sake—

An hon. MEMBER: For the sake of fairness.

Mr. BELL (Hamilton): And generosity.

Mr. MACKENZIE KING: I left out something that was non-essential.

An hon. MEMBER: Oh, yes.

Mr. MACKENZIE KING: I will give the whole of it, then. It will be found at page 1414 of Hansard of March 23:

> Now I go a step further. I would not ask this power from any parliament except reluctantly, and I so stated when I introduced the resolution the other day.

Here is the portion I left out:

> But, sir, after discussions between my colleagues and myself, and taking into consideration the views expressed to us by others who look at the matter dispassionately and from the outside, dare we as a government, charged with the tremendous responsibility in this emergency of caring for this dominion to the best of our ability, be without that power? We have said, no.

Then he goes on:

> We do not believe that this power will be called into play; nay, more, we sincerely and fervently hope that it will not be. But, sir, what is a man without a weapon in the midst of armed force? What is a man who has no instrument for his protection in the midst of the strife of brigands? Without this power we should be without a weapon that could be used except through a bill in parliament; and with the strange views that obtain in these days there is no assurance that the mind of the government would be sufficiently strong to secure consent for any measure it might introduce. And from what we know and have seen, we should certainly be opposed with respect to consent. Then the matter would go its weary way, for there is another chamber to be considered before legislation is enacted; and in the meantime the injury may be done.

There is the entire quotation.

Mr. BELL (Hamilton): You read Hamlet with Hamlet left out.

Mr. MACKENZIE KING: This makes perfectly clear the point of view not only of the Prime Minister, but apparently the contaminated point of view of his colleagues as well.

As though that were not enough, Mr. Speaker, what have we witnessed since? In order to secure this power, this weapon which will enable the ministry to ignore parliament, which will render them independent of parliament whether parliament is in session or not, what do they do? They make use of the one coercive measure which was enacted for legitimate as well as coercive purposes, but which was never intended to be used as a weapon wherewith to gain a weapon for an administration which would render it independent of parliament. They are seeking powers which will enable them to coerce parliament, and in order to get that power they use coercion as a means to that end. They bring in the weapon of closure, and with that weapon they strike at the very heart of this House of Commons thereby stifling all further discussion on a great question having to do with the very foundations of parliamentary government and the constitution of our country. They say, "We will not even allow you to discuss in committee matters which relate to the control by parliament of expenditures; we will not allow you to say another word in regard to this right, under the peace, order and good government provision, which we are claiming, to be independent of parliament and to legislate as we please, whether parliament is in session or not. They have used the weapon of closure twice in the course of a short debate in order to end all discussion and debate on the most important question which has engaged the attention of parliament since this ministry was formed. If ever in this world there was evidence of an autocratic power used to the 'nth degree, we have it in what we are witnessing at the present time.

I say, Mr. Speaker, that, with the position as hon. members of the house must now see it, if they have sought to follow the matter at all, they should consider very carefully whether they are going to vote for the third reading of a measure brought to its present stage by closure, and which will enable the ministry to usurp the powers of this House of Commons to the extent to which this measure does. It is no longer a question of the rights of minorities. Hon. gentlemen opposite have been talking about that, and minorities have their rights. This is a case where a minority should fight for its rights. But this is not a case where the rights of a minority only are at stake. It is not even a case of the rights of the majority though the rights of the majority are also at stake. This is a question of the rights of parliament itself and all that parliament stands for.

Mr. BENNETT: And that is government by the majority.

Mr. MACKENZIE KING: If my right hon. friend can just keep quiet for a moment, I will be obliged to him. The mere mention of the rights of parliament causes my right hon. friend to burst forth with an interruption. So

foreign to his mind has become the rights of parliament that he cannot bear even to hear the word mentioned without interrupting immediately. I want to make it perfectly clear again, Mr. Speaker, that the battle that has been put up in connection with this measure is not merely over the rights of minorities or the rights of majorities; it is true that it has to do with the rights of both; rights, which in the case of the majority no less than in that of the minority are threatened, it is concerned with the rights of something greater than either, namely, the rights of parliament and all that parliament stands for in a free country.

Now may I conclude what I have to say by referring to the quotation the Prime Minister gave this house when he was making his address in introducing the closure. My right hon. friend read a passage from Redlich which he said portrayed what had been going on in this house during the preceding two weeks, and he gave that quotation to the house as representing the true point of view in the matter of what among other things, constituted obstruction.

Mr. BENNETT: Hear, hear.

Mr. MACKENZIE KING: I hear my right hon. friend say "hear, hear." I think anyone reading that quotation will see that what the Prime Minister said about it applying to what has taken place in this House of Commons in the last two weeks is perfectly true, but what the Prime Minister did not see and apparently does not yet see is that the essential features of the quotation apply to himself and those who have been supporting his point of view, and not to any one or to anything that has been done on this side of the house. Let me read the quotation, it is from volume 3 of Redlich, at page 196:

> Focussing once more the results of our retrospect we may arrive at certain important conclusions which will be useful in the search for a solution of the problem set before us. The political development of our own day has laid bare—in the first instance in England, and then in nearly all the constitutional states of Europe—the conventional foundation of parliamentary government. Parliamentary conventions appear above all in the forms of parliamentary action, in the limitations to party strategy imposed by the inviolable bounds of the rules and in the tacit agreement among all who take part in parliamentary life to handle these rules in a reasonable way.

I say those words do not apply to an opposition or to a government. They apply to all members of parliament, and if they mean anything at all, those words mean that you cannot carry on the business of parliament unless you observe the conventional rules with respect to parliamentary procedure in the control of finances and everything else; unless you follow the accepted rules you cannot do any business at all in parliament. That is the exception we have taken to the action of hon. gentlemen opposite. We have said their action strikes at the very foundation of parliamentary government. Redlich says that, if you strike at the foundation of parliamentary government, you cannot do anything at all in parliament, because everything done by parliament is based on the assumption that, by the common agreement and consent of all assembled together in a parliament, you have regard and respect for the conventional foundations of parliamentary government. Let me read the words once again:

> The political development of our own day has laid bare—in the first instance in England, and then in nearly all the constitutional states of Europe—the conventional foundation of parliamentary government.

What is the conventional foundation of parliamentary government?

> Parliamentary conventions appear above all in the forms of parliamentary action, in the limitations to party strategy imposed by the inviolable bounds of the rules and in the tacit agreement among all who take part in parliamentary life to handle these rules in a reasonable way.

I ask hon. members of this house if the rules have been handled in a reasonable way with respect to the resolution on which this bill was founded, and with respect to the stages by which we have arrived at the present consideration of the measure itself. Redlich goes on to say:

> It has further appeared that, though the observance of these conventions does, to a certain extent, depend upon the social character of the membership, a far more important consideration remains: parliamentary conventions are only effective, and the parliamentary government which they support is only possible, when there is an acceptance of the constitutional basis upon which state and parliament are founded.

Could anything be more emphatic than that?

> . . . . a far more important consideration remains: parliamentary conventions are only effective, and the parliamentary government which they support is only possible, when there is an acceptance of the constitutional basis upon which state and parliament are founded.

The constitutional basis on which this parliament is founded is the right of the Commons and the Senate to pass legislation, and for the Commons and the Senate alone to exercise that right, not for that right to be usurped by the ministry of the day. If you

take away the constitutional basis, as Redlich says, nothing further remains that is worthy of consideration.

Redlich goes on to say.

> Irreconcilable parties, which oppose an existing union of states or stand for a subordination of state to church, parties which reject the whole framework of society, or which draw their life from a principle only less deep and powerful than that of religion, the principle of nationality, are all in mortal conflict—latent if not apparent, possibly unconscious for long periods—with the conventions of parliament; they are, therefore, knowingly or unknowingly attacking parliamentary government itself, at all events in the form known to the constitution.

Let me read the pertinent words:

> Irreconcilable parties—are all in mortal conflict—with the conventions of parliament; they are, therefore, knowingly or unknowingly, attacking parliamentary government itself, at all events in the form known to the constitution.

The reference was to the Irish party taking the position that Ireland would not be a part of the government of Great Britain and Ireland. That was an irreconcilable position: you could not have a party taking that position and at the same time have government carried on under parliamentary authority. It was in conflict with the basis of government; and, knowingly or unknowingly, the party that took that position was attacking parliamentary government itself, at all events in the form known to the constitution. Now, what is another irreconcilable position?

Mr. STEVENS: Why does not the right hon. gentleman read on? He is purporting to quote extracts from the leader of the government's speech. Why does he not read the next clause? Why does he stop right there?

Mr. MACKENZIE KING: I stopped at the end of the paragraph.

Mr. STEVENS: My right hon. friend did not; he stopped in the middle.

Mr. MACKENZIE KING: Will my hon. friend please allow me to finish this part?

Mr. STEVENS: The right hon. gentleman gives partial quotations and builds up an argument which is a distortion of the position taken by the Prime Minister.

Mr. MACKENZIE KING: Mr. Speaker, I appeal to you to keep order in this house so far as the ministry is concerned. I am reading a quotation from Redlich which the Prime Minister gave the other day. I am explaining it, and am fully fifteen minutes away from the point on which the Minister of Trade and Commerce (Mr. Stevens) was interrupting me. If he wishes to make an interruption of the kind, he can do so when the subject is concluded; he need not break in at a point which he sees is beginning to tell against the ministry.

Let me indicate another irreconcilable position. A position which in British politics has been irreconcilable with constitutional government for three hundred years, and we might as well recognize that fact at once. A party that takes the position that parliament must be supreme over the executive is taking one stand, a stand which I submit is the only one that can be taken in accordance with the constitution and with parliamentary government. A party that takes the position that the executive must be supreme over parliament is taking a position which is irreconcilable with everything that relates to constitutional government. And that is the position which hon. gentlemen opposite are taking.

Mr. STEVENS: No.

Mr. MACKENZIE KING: I do not care in what form it presents itself, whether it relates to unemployment relief or to any other question, what hon. gentlemen opposite are asserting in this measure, the third reading of which we are asked to pass, is that we shall agree to the doctrine that the ministry is supreme over parliament; that parliament shall part with its rights of control in matters of taxation and public expenditure; that parliament shall part with its right to legislate upon peace, order and good government, and leave these things to the executive itself to do with in secret cabinet council as it pleases. This position is irreconcilable with anything in the nature of constitutional government, and a party that takes a position which is irreconcilable with the constitution is destroying the very foundations of constitutional government.

Let us see now what Redlich says with respect to obstruction. It is to be found in the next sentence:

> Obstruction is, in reality, nothing less than a repudiation of the existing constitution of the country—

Mr. STEVENS: Hear, hear.

Mr. MACKENZIE KING:

> —intensified to the point of denying the right of its parliament to exist—

Mr. STEVENS: Exactly what you are doing.

Mr. MACKENZIE KING:

> —and expressed in a conscious misuse of the forms and principles of procedure essential to the efficiency of parliamentary action.

Mr. STEVENS: Exactly what you have done for a month.

Some hon. MEMBERS: Hear, hear.

Some hon. MEMBERS: Shut up.

Mr. MACKENZIE KING: Hon. gentlemen say "hear, hear". I ask, is not that exactly what the ministry is doing in this particular measure—what, by their attitude, has been taking place all through this debate? Let me read that sentence again:

Obstruction is, in reality, nothing less than a repudiation of the existing constitution of the country—

Is not that what hon. gentlemen opposite are doing?

Mr. STEVENS: That is what you are doing.

Mr. MACKENZIE KING: The constitution of the country requires that laws with respect to peace, order and good government shall be enacted by the Houses of Parliament, the sovereign and the people's representatives, and not by the governor in council; but hon. gentlemen opposite say no, these powers are for the executive and so they are striking at the very constitution of the country.

—intensified to the point of denying the right of its parliament to exist.

That is exactly what hon. gentlemen opposite have done. They have intensified repudiation of the constitution to the point of saying, "We do not care whether parliament is in existence or not. We are to have all the money we wish, to spend as we please. We are to have power to pass whatever legislation we like, and parliament may go to blazes, so to speak, so far as we are concerned." That is the position of the ministry at the present time, "expressed in a conscious misuse of the forms and principles of procedure essential to the efficiency of parliamentary action." All through this debate, there has been a misuse of the forms and principles of procedure essential to the efficiency of parliamentary action.

Mr. BENNETT: Look at Hansard.

Mr. MACKENZIE KING: I say, therefore, that we have, in this statement of Redlich's, a true statement of what has been taking place, but applicable to the ministry of the day and its followers, who are prepared to let the powers of parliament be usurped by the executive and not to those who from the outset have been upholding proper constitutional procedure. Let me take the next paragraph:

Except within these rules, conventions and forms parliamentary work is impossible: without their protection there is no security that the political assimilation necessary for the sustenance of the parliamentary organism can be obtained.

This all but concludes the quotation which the Prime Minister cited as the one which should guide this House of Commons in its procedure. When this debate is over, when hon. gentlemen's minds are free from their present party prejudice, if they are capable of any reflection, if they have any regard for the constitution, if they care in the least for parliamentary methods of procedure, if they think that the constitution which has been the outcome of centuries of struggle in order to secure the freedom of the people, is something that should be preserved, let them read over what the Prime Minister himself has quoted to the house as a picture of what has taken place in this chamber in the last three weeks, and, in their heart of hearts, ask themselves to the actions of which party in this house that quotation applies. We, on this side of the house, have done our utmost during the course of this debate to endeavour, as members of a party, but primarily as members of parliament, to uphold the rights of this House of Commons, to uphold the constitution, and to uphold proper parliamentary procedure. We have come now to the last moment in which it is possible to say a further word in support of these great principles upon which all freedom in this country rests—security for the future as well as for the present. I appeal to hon. members, on this, the third reading of the bill, the last opportunity they will have of recording where they stand on these great fundamental principles, to forget their party prejudices and show by their votes that they regard as more essential than all else the maintenance of proper parliamentary procedure in all matters pertaining to control of taxation and expenditure by the people's representatives in parliament, and that they regard as more sacred than all else the maintenance of the constitution of the country, and of all that constitutional government seeks to secure.

Hon. C. H. CAHAN (Secretary of State): I have not taken any part in this debate which has continued for several weeks, because I have been convinced from day to day and night to night that the best answer which could be given to the addresses of hon. gentlemen opposite was to publish those addresses to the whole country and let the country judge.

I know something about the history of this country; with the exception of not having

been intimate with Mr. Mackenzie and Sir Wilfrid Laurier, I have known personally, and have had intimate relations with every Prime Minister of Canada since the British North America Act was passed. I stated one day, I believe, that although but a child at the time I could remember the procession during the celebration of the first Dominion day in Canada. I sat many years ago in the press gallery when Sir John Macdonald led the government and Mr. Blake and his colleagues led the opposition. I do not think that in the whole history of government in Canada there has been a Prime Minister who has consulted more closely, readily and assiduously with his colleagues than has the present Prime Minister since he assumed office.

I have sat in this house night after night since the hon. member for Labelle (Mr. Bourassa) denounced the colleagues of the Prime Minister and I have heard one hon. member after another almost spit forth the most opprobious epithets with respect to the members of the cabinet; I have had experience for some fifty years on the boards of companies and corporations, I have mingled with other men in my professional and business career and I say without a shadow of hesitation that I believe the Prime Minister has consulted with his colleagues in the government and with his party in the house more closely than any Prime Minister who has preceded him. That consultation has not been for the purpose of imposing his views upon his colleagues, because I do not believe that even the right hon. the leader of the opposition (Mr. Mackenzie King) when he was Prime Minister of this country was more considerate of the opinions of his colleagues or was more open to reasonable argument and discussion.

What is the basis of constitutional government in this country? It is that the government shall be responsible to parliament and that parliament shall be responsible to the people. In no act of this government has it assumed any responsibility whatever except to carry out by way of administration the authority which parliament has vested in the government.

If my right hon. friend seeks a comparison between his régime and the régime of the present government, let him direct his attention to this fact. Since I have been in parliament I have protested time and time again against the powers taken by his government whereby they were enabled by order in council to make rules and regulations, to end the franchises of every dominion trust company in this country, to prevent any insurance company from carrying on its ordinary business at will, and against the hundred other ways in which his government usurped what he now calls the legislative functions of parliament. If he will come with me to the office of the privy council—the records are as open to him as they are to me—for every order in council which this government has passed which partakes of the nature of legislation, I will show him one hundred similar orders which his own government passed legislating upon the most important and intimate matters of our political, social and commercial life.

The right hon. gentleman now assumes a position which will not be his to occupy for a long time. He once occupied the position of Prime Minister of this dominion, and among those who watched his career on many occasions none were more sympathetic than I. I saw the stress and strain under which he at times administered the affairs of this country without a majority in the house to support him in measures in which his own policies were involved in direct controversy. The right hon. gentleman has forgotten entirely that he is no longer the Prime Minister of this country. He has forgotten entirely that this country has repudiated him, his policies and his party and that he no longer exercises authority in this house. It appears to me that during the last three weeks the right hon. gentleman has been attempting, by the exercise of force, to dominate this parliament in which he represents a minority only. The force which he has used is just as physical and brutal as that which has been used to usurp constitutional government at any stage of British history, only he is confined to the use of his own physical force, to his power of speech and his ability to sustain that speech throughout many hours of debate. He returns to the same debate three or four times and repeats and reiterates the same arguments until the house can no longer refrain from exhibiting its—what shall I say?

An hon. MEMBER: Disgust.

Mr. CAHAN: —its disgust. Perhaps that may not be considered parliamentary.

The right hon. gentleman speaks about parliament, the constitutional practice in parliament, the supreme control of parliament and the control by a majority of parliament, and then about the supreme control of the House of Commons, assuming that that supreme control is vested solely in himself and the gentlemen who sit about him. The control of parliament has passed from the right hon. gentleman.

An hon. MEMBER: Forever.

Mr. CAHAN: I do not know if it is ever to return to the Liberal party, but if it should I should be only too glad to see my right hon. friend as the leader of that party and acting again as the Prime Minister of this country. However, I do not think that the hair-splitting controversies into which the right hon. gentleman has entered during the past three weeks will ever restore to him the confidence of this country.

Parliament must assume and exercise its rights, and by closure we are simply exercising by a majority vote in this house, which must always prevail, the constitutional right of a majority in this country and in parliament to express its will in the legislative enactments of parliament. The mother of parliaments has exercised time and time again the right which is being exercised in respect of this bill. We are not proceeding one step beyond the constitutional procedure which has found expression in imperial enactments. We have not set aside one single precedent or tradition which the right hon. gentleman assumes to revere so highly. We have by the constitutional right of closure prevented the right hon. gentleman, who, by physical force, by loud speaking, by the opprobrious and brutal epithets which he has hurled across the the floor of this house—

Mr. MACKENZIE KING: I respect the Secretary of State (Mr. Cahan) very much as a gentleman, so I ask him what are the opprobrious and brutal epithets, and whether those are terms he has a right to use? My hon. friend is speaking a little hastily.

Mr. BENNETT: The Hansard of this afternoon alone is full of them.

Mr. CAHAN: My right hon. friend perhaps does not realize the epithets he used.

Mr. MACKENZIE KING: I ask whether or not that is a proper term to be used by any hon. member, and whether my hon. friend should not retract the words he has used.

Mr. CAHAN: My hon. friend asked the question first. He used the word "dictator."

Mr. MACKENZIE KING: "Dictator" is a perfectly proper word to use.

Mr. CAHAN: It is an entirely opprobrious and brutal epithet to apply to the Prime Minister of this country.

Mr. MACKENZIE KING: I ask whether the words "opprobrious" and "brutal" should not be withdrawn by the hon. gentleman.

Mr. SPEAKER: I think the words "brutal" and "opprobrious" are not parliamentary, but the leader of the opposition asked the Secretary of State to name those opprobrious and brutal epithets, or the epithets which he considered to be so, and the Secretary of State has done that.

Mr. MACKENZIE KING: The word to which he has referred is "dictator." Does your honour regard the word "dictator" as opprobrious and brutal?

Mr. SPEAKER: I did not understand the Secretary of State to have finished his enumeration of the epithets.

Mr. CAHAN: I would not be disrespectful in any way to the right hon. gentleman. I applied the word "brutal" to an epithet and not to himself. I have no intention of being disrespectful, because I respect the right hon. gentleman as a former prime minister of Canada, one who has occupied the highest position which his fellow countrymen and parliament can confer upon him. But some consideration must be allowed to those of us who have sat here during the last three weeks and heard epithet after epithet hurled against us by the right hon. gentleman and those with whom he is associated. He has been the leader in doing this, and I tell him that the words which he has used and applied to the leader of the government, the words which he has used and applied to the colleagues in the cabinet of the Prime Minister, are unworthy of one who has occupied the high office of prime minister of Canada. If he wishes at some future date to ensure that respect for the dignity of that high office which he always desired when he held it, and which was happily given to him by those who then sat on that side of the house; if he ever wishes to resume that position of high dignity in the commons of the country, he ought to cease to use such language as he has used this afternoon in this debate. The right hon. gentleman says that this is government by force. I ask him to reflect upon his own conduct during the past two or three weeks. Does he think the reiteration of those arguments which he gives hour by hour and day by day have any intellectual influence upon the house or the country? Does he think he is persuading the Canadian people to accept his views rather than those which have been expressed by the Prime Minister, his colleagues and those supporting him? Does he think the form of argument which he has used in parliament is persuasive and convincing? I think not. What the right hon. gentleman is attempting

to do is by forceful expression, forceful action and persistent debate, which has no reference whatever to the issue before us, to compel the house to accept the will of the small minority that surrounds him. That is government by minority, and when it comes to government by a minority attempting to exercise parliamentary rights and privileges, by constant reiteration and abuse of parliamentary privileges such as we have heard, there is no remedy except that which was adopted years ago by the mother of parliaments and which is exercised there day after day and week after week in the ordinary legislative proceedings of their house, and that is to invoke a closure which affords a proper time for argumentative debate but precludes a minority from exercising its physical force so as to prevent parliament from registering its decision on the question at issue before it.

My right hon. friend says that parliamentary government depends upon the rules of the house being handled in a reasonable way. Of course we agree with him in that, but has the right hon. gentleman during the past two or three weeks handled the rules of the house in a reasonable way? Has he been reasonable in the procedure which he has adopted? Can he justify, before the Canadian people or even before his associates and followers in the house, the course which he has adopted? I dislike to say this, but it is obvious, and I say to the right hon. gentleman that, so persistent has become his effort to preclude the majority from expressing its will that when he has spoken in the house on recent occasions, the most intellectual of his followers have abandoned their seats and gone to their rooms rather than listen to his reiterated arguments. Under the rules of the house handled in a reasonable way, hon. gentlemen have full opportunity to endorse those views which are usually expressed through the leader of their party who has wide and ample experience and a habit of speech that is extremely facile. Then if there are others who wish to speak, let them express their opinions, but why have this constant reiteration hour by hour, until not only parliament but the reading public of the whole country are as I said—

An hon. MEMBER: Disgusted.

Mr. CAHAN: —well, disgusted. I do not know whether that is parliamentary or not.

My intention in rising was to point out to the right hon. gentleman that in imperial legislation there are many precedents where this same procedure which he calls the revival of dead statutes has been followed by means of legislation expressed in almost exactly the same terms as those which are found in the bill before the house. As I should like to refer to this matter at some length, might I ask that it be called six o'clock.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

SECOND READING

Bill No. 37, to incorporate the Fort Smith-Fitzgerald Railway Company.—Mr. Irvine.

UNEMPLOYMENT AND FARM RELIEF

CONTINUANCE ACT, 1932—CONSIDERATION OF BILL

The house resumed consideration of the motion of Right Hon. R. B. Bennett (Prime Minister) for the third reading of Bill No. 24, respecting unemployment and farm relief.

Hon. C. H. CAHAN (Secretary of State): Mr. Speaker, when the house rose I was about to proceed to say with all sincerity that with regard to the form and content of this bill now before the house I have a larger responsibility than merely that of a member of the ministry, because I think that my own suggestions were carried out with respect to the form and content of this measure. In making those suggestions I was well within the limits of parliamentary practice in vogue in the parliament of the United Kingdom for many, many years. I have not the time to cite many precedents, but here is one to which I would like to direct the attention of the house.

In the year 1921, chapter 67 of the statutes of the United Kingdom for 1921 was passed. It was an act with this title: "An Act to make further provision with respect to the Metropolitan Common Poor Fund and with respect to rating and to the finance of certain local and public authorities." It was in the nature of an act for providing ways and means for relieving poverty in the metropolitan district. That act, by subsection 4 of section 1, provides:

> This section shall continue in force until the thirty-first day of December, nineteen hundred and twenty-two, and no longer.

This statute therefore expired on the 31st of December, 1922, and yet on May 17, 1923, the parliament of the United Kingdom enacted

chapter 6 of the statutes of 1923, entitled "An act to extend the duration of and amend certain provisions of the Local Authorities (Financial Provisions) Act, 1921, and the Poor Law Emergency Provisions (Scotland) Act, 1921." That act was passed on the 17th of May, 1923. Section 1 of that act reads as follows:

1. Section one of the Local Authorities (financial provisions) Act, 1921 (which provides for the temporary extension of charges on the Metropolitan Common Poor Fund), shall continue in force until the first day of April, nineteen hundred and twenty-four, as if in that section for the words "thirty-first day of December, nineteen hundred and twenty-two," there were substituted the words "first day of April, nineteen hundred and twenty-four."

The measure which is before the house follows by the terms of the amendment now proposed exactly the form of this remedial statute from which I have just quoted and which extended for more than one year the previous provisions of two acts of 1921, for the relief of the poor and emergency provisions for the relief of distress and suffering, which were then no longer in force.

Mr. MACKENZIE KING: Has my hon. friend the resolution which preceded that English bill?

Mr. CAHAN: I have not looked up the resolution preceding the bill, but I am not concerned with the resolution because there is absolutely no doubt that when the resolution preceding this measure was introduced it was introduced before the expiry of the act. In the case cited the resolution, which preceded an amendment for the revival of what my right hon. friend would call a dead statute, must have been preceded by a similar resolution. Anyway I will state this, for what reputation I have in parliament, that the procedure which was followed on that occasion and the content of the amending measure which was then enacted establish a thoroughgoing precedent for the bill now before the house.

Mr. MACKENZIE KING: If my hon. friend will look at my remarks of this afternoon, he will see that I said that the form in which this bill was presented and its content were perfectly regular, and what the government ought to have done, if it intended to do as it had the years before, was to proceed in that way from the start. I took no exception to the form and content.

Mr. CAHAN: I cannot follow my right hon. friend through his many tergiversations, because I have listened to him repeat over and over again that we could not revive a dead statute, that we could not amend a dead statute.

Mr. MACKENZIE KING: I said you could revive it, but that you could not amend it.

Mr. CAHAN: You can revive it by an amendment, as these precedents I have quoted conclusively show. I do not really know when to take my right hon. friend seriously in this debate; for he has adopted so many attitudes pro and con.

There is another matter to which I would like to direct the attention of the right hon. gentleman. I have heard his great leader, Sir Wilfrid Laurier, and the right hon. gentleman himself, frequently extol Mr. Gladstone as one who assisted in a very large way in developing responsible government under parliamentary institutions in the United Kingdom of Great Britain and Ireland. I have before me the British parliamentary debates for the session of 1882, under date of February 20, and I find at page 1124, that when Mr. Gladstone introduced into the parliament of the United Kingdom the new rule of closure, he stated very frankly and fully the grounds on which he based the adoption of that rule. At page 1138 he says:

It is difficult, I believe, to find a single instance of a great legislative assembly which has not found it necessary to adopt some rule for the purpose of placing in the hands of the assembly itself the power of restricting the duration of debate.

He then proceeded at page 1140:

And here I come to what is commonly called obstruction. It is not a very easy matter to define obstruction, and I will not attempt to define it for anyone but myself. I will only give my description of it. To me it appears to be the disposition either of the minority of the house or of individuals to resist the prevailing will of the house otherwise than by argument.

Some hon. MEMBERS: Hear, hear.

Mr. CAHAN: I ask the right hon. gentleman, as one who all his life admired the great Liberal leader and has often extolled Liberal principles as enunciated by him, to apply the words of Mr. Gladstone to what has transpired in this House of Commons during the last three weeks.

Then after referring to obstruction by lengthy speeches and reiteration of arguments Mr. Gladstone proceeded to say, at page 1144:

They are not merely most powerful means of obstruction; they are not merely most powerful means of inflicting suffering on the members of this house. They are totally incompatible with the dignity and credit of this house.

Grievous as they are, they are almost as ludicrous in the eyes of the community as they

are grievous. The whole idea of the conversion of night into day, the disruption of the common order—already hard pressed by our ordinary proceedings—in which time and business are distributed, and the exhibition of a great and powerful assembly in such an attitude before the community, almost amounts to a degradation and depth of insult offered to the house such as, I must say, we ought to endeavour to wipe out.

Proceeding further, he said:

We—

That is, the government of which he was the leader.

We propose that this decision shall be taken on what we think the only sound principle and under what we think the best and most adequate safeguards. There is but one sound principle in this house and that is that the majority of the house should prevail.

In emphasizing his remarks on the following page, he says:

But God forbid that we should see so vast an innovation introduced into the practice of this house, applicable to our ordinary procedure, as would be a rule of the house under which the voice of the majority was not to prevail over that of the minority.

And then he says in closing, page 1150:

I trust that the house will always continue to appreciate—I would almost say worship—liberty of speech, and that it will continue to tolerate, for the sake of liberty of speech, the licence of speech which mocks and counterfeits that liberty of speech. But, however large its fund of patience, and however wise that patience may be, I hope it will not carry that tolerance to such a point that it shall of itself become the grossest of all the vices of a legislative body, and that it shall reach a point where it will inflict upon the House of Commons an incapacity for the discharge of its duties.

I submit to the right hon. gentleman that the conduct of the opposition, with which he himself has identified his party, his policy and his vigorous personality, comes under the denunciation which I have quoted from the Right Hon. William Ewart Gladstone.

I find in A. G. Gardiner's life of Sir William Harcourt, who was with Mr. Gladstone in that crisis, a reference to the same topic. With regard to the necessity of closure the author said:

Harcourt took a stronger view than some of his colleagues, and circulated a long memorandum to the cabinet insisting that it was "essential to secure to a majority the right to prevail which lies at the bottom of parliamentary institutions."

Then as he developed his argument, he said that he wished to make:

"An emphatic assertion of the right of the majority."

And these are the words quoted:

To recognize in one-third or one-quarter of the house an absolute right . . . to postpone indefinitely the decision of a question is, in my judgment, to give a formal consecration to the principle of obstruction. . . . Why is it to be assumed that the minority will not abuse their veto when it is taken for granted that the majority will abuse their clôture. . . .

I could spend the entire time available even to the leader of the opposition in making similar quotations from eminent Liberal leaders of the past.

But the right hon. gentleman says if we follow the precedents established in the mother of parliaments we must look forward to the time when there may be socialistic control of this parliament of Canada. I do not wish to refer to myself personally—I have passed the age of threescore years and ten and I appreciate very keenly that my mentality, my prejudices and my predilections are born of the times in which I have lived and the vicissitudes of my own personal life—but I do not look forward with any fear or shrinking to the development of socialistic institutions in this country on a proper basis. I recognize that the strain and suffering through which we have passed and are passing has already borne fruit in remedial measures, socialistic in their tendencies, and those who are younger than I may well look forward to the time when those whose views are more socialistic than mine will assume the reins of government in this country. When they do they will assume the reins with the voice of a great majority of the Canadian people as manifested at the polls, they will assume office under our parliamentary institutions, not by force and violence, not by bullets and bayonets, but by the voice of the democracy of this great country. In that democracy, although I shall not live to see its development, I have the strongest possible confidence, and I think it would be a shame indeed if any minority in this house at any future time should attempt to thwart the views of the people, should attempt to thwart necessary and essential socialistic reforms by such procedure as we have witnessed in this house during the past few weeks.

I have had very few personal antagonisms in this life, and the right hon. leader of the opposition knows that I have no personal hostility to him. If in the heat of debate—I have not yet reviewed the Hansard report—I have said anything personally discourteous, I humbly ask to be forgiven. I know he has played a great part in the history of this country. I have no doubt that after he has passed into that bourne whence no traveller returns, his youthful followers in this house and the country will erect statues

to his honour in the market places. But when they review his political career, as they will in the future, I hope they will forget the episodes of the last three weeks, because they can only look back on them with humiliation and a strong sense of sad regret.

Mr. SPEAKER: Shall the resolution carry?

Mr. MACKENZIE KING: On division.

Mr. BENNETT: The question has not been put. This is the third reading of the bill.

Mr. SPEAKER: The motion was for the third reading.

Mr. BENNETT: And we desire to divide the house on it.

Mr. SPEAKER: All those in favour of the resolution will kindly say "Aye."

Mr. BENNETT: The motion.

Some hon. MEMBERS: Aye.

Mr. SPEAKER: Those opposed will please say "No."

Some hon. MEMBERS: No.

Mr. SPEAKER: In my opinion the "ayes" have it.

Mr. BENNETT: We desire to divide the house on the motion.

Mr. SPEAKER: Call in the members.

The house divided on the motion (Mr. Bennett) which was agreed to on the following division:

YEAS

Messrs:

Anderson (Toronto-High Park), Arthurs, Barber, Baribeau, Beaubier, Belec, Bennett, Bourgeois, Bowman, Boyes, Burns, Bury, Campbell, Carmichael, Charters, Cowan (Long Lake), Dickie, Duranleau, Ernst, Esling, Fraser (Cariboo), Gagnon, Ganong, Gobeil, Gordon, Guthrie, Hay, Johnstone, Jones, Larue, Loucks, MacMillan (Saskatoon), MacNicol, McGregor, McLure, Manion, Morand, Myers, Pettit, Plunkett, Porteous, Price, Quinn, Rogers, Ryckman, Senn, Shaver, Simpson (Simcoe North), Smith (Victoria-Carleton), Spankie, Spotton, Sproule, Stanley, Stevens, Stewart (Leeds), Stewart (Lethbridge), Stirling, Stitt (Nelson), Sullivan, Sutherland, Swanston, Tétrault, Thompson (Simcoe East), Weese, Weir (Melfort), White (Mount Royal), Willis, Wright.—68.

NAYS

Messrs:

Ahearn, Beaubien, Blair, Bouchard, Boulanger, Brasset, Brown, Butcher, Chevrier, Donnelly, Gardiner, Hanson (Skeena), Heaps, Hepburn, King, Mackenzie, Lapointe, MacInnis, Mackenzie (Vancouver Centre), MacLean, Macphail (Miss), McMillan (Huron South), Motherwell, Neill, Parent, Reid, Sanderson, Spencer, Totzke.—28.

PAIRS

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

Messrs:

Anderson (Halton), Arsenault, Baker, Barrette, Bell (Hamilton), Bell (St. Antoine), Bell (St. John-Albert), Beynon, Black (Halifax), Bowen, Cahan, Cantley, Casselman, Chaplin, Cormier, Cotnam, Cowan (Port Arthur), Dorion, Duguay, Dupré, Edwards, Embury, Fortin, Garland (Carleton), Geary, Gott, Hackett, Hanson (York-Sunbury), Harris, Kennedy (Winnipeg), Kennedy (Peace River), Laflèche, Laurin, LaVergne, Lawson, Lennox, MacDonald (Cape Breton), Factor, Thauvette, Bertrand, Rhéaume, Mercier (St. Henri), Raymond, Dubois, Coote, Dubuc, McKenzie (Assiniboia), Rinfret, Cardin, Howard, Malcolm, Hanbury, Hurtubise, Ilsley, Verville, Boucher, Ferland, Elliott, Bothwell, Fafard, Goulet, Mercier (Laurier-Outremont), Rutherford, Perras, Veniot, Jacobs, McIntosh, Garland (Bow River), Girouard, Fontaine, Euler, Gray, Pouliot, Urquhart,

Macdonald (Kings),	Irvine,
Macdougall,	Fournier,
MacLaren,	Fiset, Sir Eugène,
McDade,	Dupuis,
McGibbon,	Power,
McGillis,	Deslaurier,
Maloney,	Young,
Matthews,	Moore (Ontario),
Moore (Chateauguay-Huntingdon),	Denis,
Mullins,	Howden,
Murphy,	Stewart (Edmonton),
Nicholson,	Bradette,
Peck,	Lucas,
Perley (Qu'Appelle),	Munn,
Perley, Sir George,	Marcil,
Pickel,	Speakman,
Rhodes,	Ralston,
Robinson,	Desrochers,
Ross,	Roberge,
Rowe,	Lacroix,
Ryerson,	Taylor,
Sauvé,	Séguin,
Short,	Heenan,
Simpson (Algoma),	Casgrain,
Smith (Cumberland),	Duff,
Smoke,	Cayley,
Spence,	Fraser (Northumberland),
Stinson,	Hall,
Stitt (Selkirk),	Weir (Macdonald),
Thompson (Lanark),	Luchkovich,
Tummon,	St-Père,
Turnbull,	McPhee,
White (London),	Gershaw,
Wilson,	Vallance.

Mr. MacLAREN: I was paired with the hon. member for Rimouski (Sir Eugène Fiset). Had I voted I would have voted for the third reading of the bill.

Mr. BOTHWELL: I was paired with the hon. member for Hastings-Peterborough (Mr. Embury). Had I voted I would have voted against the motion.

Mr. COTNAM: I was paired with the hon. member for Nipissing (Mr. Hurtubise). Had I voted I would have voted in favour of the motion.

Mr. SAUVE: I was paired with the hon. member for L'Assomption-Montcalm (Mr. Séguin). Had I voted I would have voted in favour of the motion.

Mr. MURPHY: I was paired with the hon. member for West Edmonton (Mr. Stewart). Had I voted I would have voted in favour of the motion.

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted I would have voted for the motion.

Mr. VALLANCE: I was paired with the hon. member for Wentworth (Mr. Wilson). Had I voted I would have voted against the motion.

[Mr. Speaker.]

Mr. NICHOLSON: I was paired with the hon. member for North Timiskaming (Mr. Bradette). Had I voted I would have voted for the motion.

Mr. CASSELMAN: I was paired with the hon. member for Sherbrooke (Mr. Howard). Had I voted I would have voted for the motion.

Mr. TUMMON: I was paired with the hon. member for Hochelaga (Mr. St-Père). Had I voted I would have voted for the motion.

Mr. SPEAKMAN: I was paired with the hon. member for Brome-Missisquoi (Mr. Pickel). Had I voted I would have voted against the motion.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted I would have voted against the motion.

Mr. SPENCE: I was paired with the hon. member for Northumberland, Ontario (Mr. Fraser). Had I voted I would have voted for the motion.

Mr. ILSLEY: I was paired with the hon. member for Port Arthur-Thunder Bay (Mr. Cowan). Had I voted I would have voted against the motion.

Mr. ROWE: I was paired with the hon. member for Beauce (Mr. Lacroix). Had I voted I would have voted for the motion.

Mr. SHORT: I was paired with the hon. member for Kenora-Rainy River (Mr. Heenan). Had I voted I would have voted for the motion.

Mr. COOTE: I was paired with the hon. member for Moose Jaw (Mr. Beynon). Had I voted I would have voted against the motion.

Mr. BOWEN: I was paired with the hon. member for Assiniboia (Mr. McKenzie). Had I voted I would have voted for the motion.

Mr. IRVINE: I was paired with the hon. member for Kings (Mr. Macdonald). Had I voted I would have voted against the motion.

Mr. POULIOT: I was paired with the hon. member for North York (Mr. Lennox). Had I voted I would have voted against the motion.

Mr. PERRAS: I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted I would have voted against the motion.

Mr. LAFLECHE (Translation): I was paired with the hon. member for Drummond-Arthabaska (Mr. Girouard). Had I voted I would have voted for the motion.

Mr. ARSENAULT (Translation): I was paired with the hon. member for Vaudreuil-Soulanges (Mr. Thauvette). Had I voted I would have voted for the motion.

Mr. SPEAKER: Mr. Bennett moves, seconded by Mr. Guthrie, that the bill do now pass and that the title be as on the order paper.

Motion agreed to on division.

CANADIAN NATIONAL RAILWAYS

PROVISION OF MONEYS TO MEET EXPENDITURES AND INDEBTEDNESS IN 1932

Hon. R. J. MANION (Minister of Railways and Canals) moved the second reading of Bill No. 34, respecting the Canadian National Railways and to authorize the provision of moneys to meet expenditures made and indebtedness incurred during the calendar year 1932.

He said: This bill is the Canadian National Railways financing act of 1932, to permit the Canadian National Railways to issue securities for the year 1932 totalling $61,500,000, which represents the estimated needs of the national roads from the government of Canada for 1932. The bill comprises three chief items. There is, first, the net income deficit, made up of $42,500,000, not including any interest owing to the government of Canada. In view of the fact that often the total needs and various other items of the National Railways financing are confused, may I say, rather for those outside the house than perhaps for the information of hon. members who have studied the railway question, that the deficit referred to in this bill relates to the deficiency in earnings to pay not only operating expenses but interest due on the fixed bonds of the company, having been purchased in the past by the investing public.

The deficit last year was over $50,000,000, which corresponded to the estimate this year of $42,000,000; and including the eastern lines it was over $60,000,000. It is quite possible, in view of the continuing decrease in earnings of the Canadian National Railways, that the estimate of $42,784,000 for the coming year will be found to be an underestimate, because the railways, both the Canadian National and the Canadian Pacific, and in fact all the roads on this continent, are to-day earning less than they earned at the same time last year, which was a record low year compared with many past years.

The second item in the bill is for equipment, $11,681,000. This is, in a sense, a new item in the bill for financing the Canadian National Railways, because in the past that money was borrowed under what was called the Philadelphia plan, twenty-five per cent being put up in cash, the other seventy-five per cent being borrowed from bankers in the United States and paid over a period of fifteen years. Owing to the international financial situation of the present day, however, the whole of this amount of nearly $12,000,000 must be borrowed from the people of Canada through the Canadian government.

The third item is for construction and betterments, amounting to a little over $7,000,000. That is made up of capital expenditures, such as terminals, stations, branch lines, hotels, bridges and so forth.

Briefly, these three items represent the total of $61,500,000 in this bill, the details of which will be given when the bill reaches the special committee on railways and shipping, which deals with the financial needs of the Canadian National Railways. When the bill is before that committee the officers and, if necessary, the directors of the system will be called.

This bill calls for $61,500,000, but in order to present as clear a picture as possible of the situation, I must point out that this sum, the estimated needs for the coming year, does not represent the entire requirements of railways and shipping for the year, because there is another item of $10,000,000 which will be necessary in the coming year for the maritime freight rates and for steamship needs. So that the total estimated requirements for 1932 appear at the present time to be some $71,000,000, which does not include, of course, anything for the Hudson Bay railway. By way of contrast, I should point out that the figure for 1931 corresponding to that $71,000,000 was $112,000,000, nearly $10,000,000 per month, including, of course, capital expenditures. But at any rate, the money had to be supplied by the government of Canada, or by bonds guaranteed by this government. The $112,000,000 last year, which I have contrasted with the needs of 1932, was made up of four chief items. I shall place on Hansard a complete statement of these items for the information of the house. In brief, however, these four items—I will not go into details at this stage—are these.

First, there was the final estimate of last year, which was higher than the estimate made

at the beginning of the year and which totalled, for the year 1931, $87,000,000. The second item was eastern lines deficit and maritime freight rates reduction of twenty per cent, which, in round figures, amounted to $10,500,000. The third item was merchant marine and Canadian National steamships, amounting, in round figures, to $1,500,000; and finally, the statutory items consisting of branch lines, Toronto terminals, Montreal terminals and so forth, which accounted for another $13,000,000. These items make up a total of $112,000,000.

The statement as to financing requirements is as follows:

Financing Requirements
As provided for C.N.R., C.G.M.M. and C.N. (West Indies) Steamships for year, 1931
Final Estimates

Net deficit	$ 52,255,676 04
Refunding of securities	9,791,690 74
Acquisition of securities	200,000 00
Additions and betterments	6,759,105 66
New equipment	14,883,665 26
Discount on securities	3,946,786 49
C.V. resources	633,155 26
Total railway budget for 1931	$ 87,203,768 93

Department of Railways and Canals
Appropriations

E.L. balance of deficit	$ 8,712,762 30
E.L. 20 per cent M.F.R.A.	1,885,000 00
Total eastern lines	$ 10,597,762 30
C.G.M.M. 1931 deficit	$ 444,285 53
C.N. (W.I.) S.S. 1931 deficit	916,568 53
Total S.S. operating	$ 1,360,854 06

Statutory Authorities

1929-32 branch lines	$ 5,076,707 40
Toronto terminals	1,036,403 10
Montreal terminals	6,022,380 07
Northern Alberta	395,000 00
St. John and Quebec	250,000 00
Discount suspense	279,243 51
Total statutory railway	$ 13,059,734 08
Statutory C.N. (W.I.) S.S.	43,451 88
Grand total for 1931	$112,265,571 25

Up until a short time ago it was customary to make an annual review of the railway affairs of the country. Up to the time of the appointment of the special committee to deal with railways and shipping a review of the railway financial situation was given by the Minister of Railways. That was discontinued, I believe with some loss to the house, some loss to the country and perhaps even some loss to the committee itself. This committee has done excellent work in investigating details of the accounts and making recommendations to the house, but to some extent its work is disconnected and disjointed, and for this reason it seems to me that a dispassionate and non-partisan statement on the railway situation cannot help but be of use. After all, this situation to-day is the greatest problem facing Canada; it embraces what has been described as Canada's second national debt.

I shall endeavour to make my remarks as clear and simple as possible, but I must point out that simplicity and clarity with regard to an immense question of this kind are not altogether easy to achieve. The huge figures involving vast debts to the lending public, enormous accounts against the railways by the government itself, the interest on the public and government debt, the amalgamation of lines and different obligations make this question a difficult one to explain clearly. However, I shall endeavour to make my explanation as simple as possible so that any ordinary citizen of Canada may be able to obtain a good grasp of the situation.

The difficulties which face the railways have been due largely to four causes. The first and chief cause is the fact that in the early days we built a second and third transcontinental railway when a second would have been amply sufficient. Two transcontinental railways would have been sufficient, but we went on and built a third. We have in Canada a sparse population with an immense railway mileage, so much so that this country has the largest mileage per thousand of population of any country in the world. The density of traffic, both passenger and freight, is so slight as to make this fact the chief cause of our troubles at the present day.

The second cause, which has not been mentioned so much but which has been forced upon me by my study of the question during the last year and a half, is the fact that the railways have been endeavouring to reach out for passenger traffic and have been forgetting that freight traffic should be their first concern. As a result of this desire for passenger traffic there have been built luxurious hotels, terminals, trains, steamships and so forth; tens of millions of dollars have been spent in this way when it would have been wiser had the railway companies realized that freight traffic should be their chief business.

To my mind the third cause is motor competition, which might be termed unfair competition. I do not think that the railways of this country should have to face the competition of private companies operating their motors, buses and trucks for profit upon publicly built highways while the railways

have to build very expensive highways of their own. The publicly built highways upon which these motor buses and trucks operate are built to a certain extent by the taxes paid by the two great railway systems. Therefore, this is unfair competition.

The fourth cause of the present depressed condition of the railways of Canada is the world business set-back which has taken place during the past three or four years. Not only have the railways in Europe been faced with decreased traffic, but the same applies to the railways in every country and more particularly to those on this continent where such immense distances are traversed by the lines.

There are a couple of points which I wish to draw to the attention of the house and which it would be well to keep in mind in discussing the financial position of the railways. In the first place, there must be kept in mind the public debt, that is, the debt owing on bonds bought by the investing public, the money being used for the extension of the Canadian National Railways. This debt to-day amounts to $1,280,000,000; the interest thereon in 1931 amounted to $57,000,000, over $1,000,000 per week, of which $37,000,000 was payable in the United States. Four-fifths of the total debt of $1,280,000,000 was guaranteed by the government of Canada on behalf of the people of Canada. The people of Canada are responsible not only for this four-fifths which has been guaranteed by the government but also for a large proportion of the remaining one-fifth. The interest upon this obligation must be paid unless this country takes the position of repudiating its debt, as Russia has done.

This is the main figure in the financial picture of the Canadian National Railways, but there is another figure which at times gets mixed up in the picture—and until it is eliminated it should be mixed up—I refer to the Dominion of Canada account. This account as appearing on the books of the Canadian National Railways totals to something over $1,360,000,000. It is made up mainly of three items; loans from the Dominion of Canada amounting to a little over $605,000,000, interest accrued upon these loans amounting to $350,000,000, and appropriations for Canadian government railways amounting to $405,000,000. The last item covers the moneys expended upon the construction of the Intercolonial, Prince Edward Island and National Transcontinental railways.

Mr. BEAUBIEN: That was before the national system came into being.

Mr. MANION: My hon. friend is quite right; much of this money was spent before the Canadian National Railways came into being. The National Transcontinental and the Intercolonial are to-day being operated as part of the national system.

Suggestions have appeared in the press that there should be a refinancing of this system. I have read in some outstanding papers that if a proper picture was drawn of the financial position of the Canadian National Railways, then these railways would be able to pay their way. This suggestion is applied particularly to the $1,360,000,000 making up the government account. The greatest amount which has ever been proposed, even by the railways, to be wiped off has been between $600,000,000 and $800,000,000. This proposal was made in 1928 to the Hon. Mr. Dunning when he was Minister of Railways. The fact is that if that $600,000,000 or $800,000,000 were wiped off no actual benefit would accrue to the Canadian National Railways because not one cent of the principal or of the annual interest has ever been paid. Even if the total amount of $1,360,000,000 were wiped off it would make no actual difference to the financial position of the Canadian National Railways. I repeat, neither the principal nor the interest has been paid by the National railways and, in my opinion, I do not think one cent will ever be paid back to the government.

Mr. BROWN: Is the interest being added year by year to that amount?

Mr. MANION: Interest has not been added on the total amount of $1,360,000,000, but it has been added to an item which is part of this amount, to the $600,000,000 advanced during the past few years to the Canadian National Railways and subsidiary companies. This interest amounts to some $32,000,000 annually and has been added on the books of the company but has not been added in the public accounts of the country.

I want it clearly understood that even if the whole $1,360,000,000 was wiped out it would make no difference to the financial position of the Canadian National Railways. I make that emphatic statement because it has been said so often, by men who should know better, that if all or a part of this amount owing to the government was wiped off, then the Canadian National Railways would be in position to pay its way. As a matter of fact, of the $1,360,000,000, $600,000,000 to $700,000,000 was actually put into capital expenditures of the railways that I have mentioned, so that is absolute capital expenditure on behalf of

the national railways or their present subsidiaries or component parts operated by the management. If one were to wipe that off, it would clear the picture, but at the same time it would not improve the capital position. I have under my hand a letter which Sir Henry Thornton wrote me a year ago and which I intend to put on Hansard in order to save time. I shall read just a couple of sentences. We had discussed this question a number of times and I asked his opinion in regard to it. He wrote me as follows:

With reference to the revision of our financial structure which has been under contemplation for a long time: I feel it would be an unwise thing to present it to parliament this session because the present depression and state of the company's finances necessitate an entire review of our previous recommendations.

He gives other reasons and then he closes the letter as follows:

For all of these reasons I think it inadvisable to bring this very complicated question before the next session of parliament.

That was written a year ago, referring to last session. Since that time Sir Henry Thornton has not given me any other opinion than that, and I have no reason to think he would suggest at the present time that this should be wiped out. That is a matter of opinion which can be decided when the whole matter of the report of the Royal Commission on Railways and Transportation is made to parliament.

Mr. MACKENZIE KING: I do not wish to interrupt my hon. friend, but is this some new method he is adopting of placing documents on Hansard? I have noticed he has handed two or three sheets to the Hansard reporter.

Mr. MANION: I explained my intention. My right hon. friend has done the same thing for many years, and there is nothing wrong about it. It has always been the privilege of a minister when he is making a statement to the house, instead of reading a lengthy document, to place it on Hansard. I said a moment ago that I was going to place this letter of Sir Henry Thornton on Hansard. I thought I would save the time of the house by doing so without reading the whole of it.

Mr. MACKENZIE KING: My hon. friend forgets that this can be done only by consent of the house. He has not asked for consent. I hope now that we have concluded the discussion on unemployment relief, we may get back to some consideration for the commons.

[Mr. Manion.]

Mr. MANION: May I tell my right hon. friend I sincerely hope we can, and hon. gentlemen opposite need the lesson much more than we do on this side.

Mr. MACKENZIE KING: If my hon. friend wants the consent of the house, he had better ask for it.

Mr. SPEAKER: There seems to be some misunderstanding. Documents are put on Hansard only if read in the house, except by consent, as the leader of the opposition has said. It has been the custom, when the budget is brought down, for the Minister of Finance to put on Hansard certain financial statements, schedules or tables, without reading them in full,—

Mr. MANION: It has been the custom.

Mr. SPEAKER: —by consent.

Mr. MANION: It has been the custom for ministers to do so, certainly by consent; but I took it for granted that my right hon. friend would not object. If he objects, I shall read the whole letter.

Mr. MACKENZIE KING: Let the hon. gentleman ask for the consent of the house. That is all.

Mr. LAPOINTE: Ministers usually ask for leave of the house.

Mr. MANION: I am sorry I have hurt the susceptibilities of the leader of the opposition, and if he will permit me I shall place the letter on Hansard.

Some hon. MEMBERS: Hear, hear.

Mr. MANION: The letter is as follows:

Montreal, Quebec,
February 20, 1931.

Dear Doctor,—

With reference to the revision of our financial structure which has been under contemplation for a long time: I feel it would be an unwise thing to present it to parliament this session because the present depression and state of the company's finances necessitate an entire review of our previous recommendations. Furthermore, the outlook for the future is, at the moment, so uncertain that it is almost impossible to make any precise prognostications.

I imagine the next session will be a very busy one with unemployment, tariffs, government finances and highly contentious questions that there will not be sufficient time to consider in a mature way so important a question as the revision of our financial structure. Also, our own directors are quite unfamiliar with our very complicated financial problem. It will take them some time to become acquainted with it, and I cannot present for your consideration any proposals until our directors have had an opportunity of forming their own conclusions.

For all of these reasons I think it inadvisable to bring this very complicated question before the next session of parliament.

Yours sincerely.

(Sgd.) H. W. Thornton.

Now that I have mentioned the figures, the magnitude of the whole railway problem will be readily appreciated by anyone. It is easily seen that the whole financial structure of the country is impinged upon and even endangered by the immensity of the figures of this Canadian National debt. That is particularly well seen if one would remember that it was not until 1900 that the figure of $50,000,000 was reached in the whole revenues of the Dominion of Canada. This whole question is still more complicated at the present time by virtue of the fact that two-thirds of the interest on this Canadian National Railway debt is owing in the United States, and because of the premium upon United States funds in the last three or four months of last year, it cost the Canadian National Railways something like $1,000,000 to $1,250,000 in premiums on United States funds in paying the interest which they paid in that country. In future, as regards loans, including this equipment loan which I have mentioned, the money will have to be raised altogether in Canada until the premium on United States funds is either wiped out, or until our money reaches more to a level with that of the United States than has been the case for the last few months. What makes the situation more difficult is the fact that in 1931 the revenues of the Canadian National Railways were below those of any year since 1919. Yet, if you look at the interest owing by the Canadian National, it has increased between 1919 and 1931 from $28,000,000 to $57,000,000, or an increase of about $29,000,000. Even, therefore, without government interest of any kind, and with an allowance being made for the difference in deficit or profit in the two years, 1931 was worse than 1919 by $14,000,000. Even if you take the peak year of 1928, when the Canadian National Railways earned more than they ever did in any other year of their history, that year would have been short of interest to the public in 1931 by something like $8,000,000, and besides that there would have been nothing for reserve fund or for any other needs.

When we came into power in August, 1930, we found the condition which I have described, not quite as serious as that of 1931, but getting towards it. The revenues were dropping ominously, and the interest charges were increasing. The revenues dropped from 1928 to 1930 by $54,000,000, and as we were not in power until the last four months of 1930, we naturally could not in any way be criticized for that. I might add that in the last two months, January and February, 1932, the Canadian National Railways were not earning operating expenses. What made the situation worse was the fact that when we came into power in the beginning of August, 1930, there were railway committals amounting to $158,000,000, over which in a general way, we had no control whatever. That amount was a balance of committals made in the previous year, 1929, when a series of committals amounting in all to $270,000,000 was made, including temporary finances, budget, maritime freight rates, branch lines, terminals, railway purchases, equipment and refunding, the refunding amounting to $9,000,000. I have named just some of the outstanding items. The federal net debt before the war was only $336,000,000, so that a series of committals amounting to $270,000,000 in one year naturally made the Canadian National Railway picture a pretty serious one. As one of my colleagues suggests, of course these committals had to be approved by the government of the day. The condition we found being as I have described it, it seemed to me as Minister of Railways that the facts had to be told to the public, because our role was the unpopular one of showing the Canadian National Railways that we felt every reasonable economy should be practised in the operating of that road. That was our duty not only as a trustee of the people of Canada, indeed, as a trustee of the Canadian National Railway itself, but as friends of the road and as loyal Canadians. It seems to me that when the Canadian National Railway attains the position where it will not need to ask for either cash or guarantees from the people of this country, then, and not till then, should the parliament of Canada fail to examine carefully all the expenditures of the road. Therefore we insisted at that time that the road must be run as economically as possible, remembering always that the efficiency of the road must not be impaired. That was a necessary duty for the self-preservation of the Canadian people, of the Canadian government, and of the financial position of this country and the railway itself.

The details of the economies to be effected were left largely to the management themselves, and they cooperated. We appointed a new board of directors, and I wish to pay them the compliment of acknowledging their cooperation with the management and with ourselves in doing everything that could be done to see that these immense yearly ad-

vances would not be required indefinitely. There were a few important changes made which I think are worthy of mention.

There had been going on the practice of what we called the switching of votes of money. It had been the privilege of the Canadian National Railway up to about a year ago, if an appropriation of one million dollars, we will say, had been passed for an expenditure in western Canada, to switch that expenditure to eastern Canada, or vice versa. As a matter of fact, in 1930 the switching amounted to well over eight million dollars. No order in council was needed to make the change in many cases. Perhaps it was in some cases, though I doubt it. At all events, this switching was permitted. That was a power which even the government of Canada does not possess, because, as members of the house know, the government cannot devote an item passed for one particular purpose to any different purpose. This switching practice of the Canadian National Railways was discontinued. The question was up last year in this house and the right hon. gentleman who leads the opposition emphatically supported the government in the attitude which they took. That was one of the important changes made, though not necessarily an economy.

Another very useful and important change that was made was the appointment by order in council of a finance committee early in the year 1931. The personnel of the finance committee comprises the president of the road, the legal vice-president, and the Deputy Minister of Railways, who represents myself on the board. The duty of the finance committee was to investigate all the proposed expenditures of capital and to inquire if those expenditures were likely to bring in an adequate return. If they considered that the expenditures were not justified it was their privilege to recommend to the executive committee, and from them the recommendation was made to the directors, that those expenditures should not be made. As a result of the work of that committee in 1931 the figure of twenty million dollars for additions and betterments, called in this bill construction and betterments, was cut down by thirteen million dollars. As a result of the finance committee putting its foot down the Canadian National instead of spending twenty million dollars on additions and betterments last year spent only seven million dollars, and there was held up for the time being at least some thirteen million dollars of expenditure.

Then the management put into effect a number of very important economies amounting to thirteen million dollars which they claimed as special economies. That thirteen million dollars was made up of many items, some of the chief being the paying off of some highly paid but supernumerary officers who were looked upon as deadwood; the cutting off of unnecessary services and markedly non-paying services on some of the branch lines; the curtailing of the services of even some of the trans-Canada passenger trains; the adjustment of salaries and wages; the doing away with the triangular steamship service which had just been inaugurated and was losing very heavily on the Pacific coast; the cutting out to a large extent of club dues, entertainment fees, officers' expenses and matters of that sort; and the cutting off of a steamship subsidy amounting to something like $200,000 a year which it was decided was lost money entirely. After that subsidy was cut off I was rather interested in noting that the steamships still continued to run. Those items with others made up, they claim, a total of special savings of $13,000,000 in 1931, and they claim that special savings in 1932 will amount to a further $15,000,000, not a duplication of the $13,000,000, but an extra $15,000,000 in 1932, or a total of special savings in the two years of $28,000,000. A number of these economies I might say were suggested by the special committee of this house on railways and shipping, which deals with these matters. It is the opinion of those who follow the records of the railway and of the special committee of the House of Commons of which I was speaking, that last year's committee did the best work of any committee which has ever served for this purpose. That committee is made up, as the house knows, of members from all sides of the house, and certainly many of the committee's recommendations were justified.

In addition marked economies were made through greater cooperation than had been formerly taking place between the Canadian Pacific Railway and the Canadian National Railway.

Surely all those economies are an achievement worth mentioning, and may I add that it seems to me there is still much to be done from an economical standpoint. As a result of those economies—I am nearing the end of my remarks, and I can assure my right hon. friend that I have no more articles that I wish to put on Hansard—protests came in from all parts of this dominion. Every section of Canada apparently has a mentality that permits it to advocate economies for every place but its own particular section, and consequently every section took the attitude that services should be cut off elsewhere but that

theirs should not be interfered with. Probably they felt, and perhaps rightly so, that the prestige of their section was interfered with by the curtailing of the services. Let me give an instance or two. On one of the small branch lines which was losing heavily the Canadian National Railway decided to take off a daily service and substitute for it a tri-weekly service. This was in the province of Alberta. The people using this branch line asked for an appointment with the railway management in that section, and sent in quite a large deputation which protested very strongly against the curtailing of the service. Suddenly one of the officers of the road asked the deputation how they had come in, and they replied that they had come in by motor bus.

Another illustration that came under my own observation of the same peculiar way of thinking was this: A prominent Montreal man had some dealings with the National road. He did not get through a business deal amounting to about a quarter of a million dollars, and he tried to bring pressure on the National road through the government. He visited my office on a number of occasions, once coming from the city of Toronto and on other occasions from Montreal, and on every occasion he drove from Toronto or Montreal to Ottawa in his own car with his own chauffeur. He did not patronize the road with which he was hoping to make a business deal of about a quarter of a million dollars. I mention these instances just to illustrate the feeling of the people, the apparently unconscious pulling away from the patronizing of the railways to motor competition, with its consequent effect on the revenues of the railways; and when I say motor competition I include motor competition of all kinds—motor trucks and motor buses and the private automobile. They are all hitting the passenger revenues of the railway.

I mentioned a few moments ago the tendency of the railways to reach out too much for passenger traffic and neglect freight traffic. It is interesting to note that the total loss on passenger operation of the Canadian National Railway amounted in 1926 to $4,000,000, and that amount gradually grew until last year the loss amounted to nearly $24,000,000. I repeat, the railways have been reaching out for the non-paying branch of the railway business and neglecting the real revenue-producing business—the freight traffic.

As I have said, the management itself cut these services. We were not even consulted. I say that because continually I am receiving from members on both sides of the house protests against reduction of branch line services. I have on all occasions pointed out that while I am pleased to pass on their protests, I have no power to insist on services being continued which the railway management consider it is to the economic advantage of the system to abandon. In short, these changes have been made on economic, not on political grounds.

I wish now for a few moments to deal with certain unfair statements made throughout the country, particularly in western Canada, alleging interference with the Canadian National Railways by the government. For example, it has been charged that we have put into effect these branch line restrictions in service; some newspapers have even hinted, and some have stated quite openly, that in the interests of the Canadian Pacific Railway we have interfered with some of the services of the Canadian National Railways. I merely mention this to brand it as false, because there is no basis whatsoever for such a charge. One of the most outstanding papers in Canada about six weeks ago published a front page editorial accusing me of forcing upon the Canadian National Railway management what it termed "crippling economies." I wrote to the editor, whom I knew quite well, to name one crippling economy that had been forced upon the Canadian National Railways, or that the Canadian National Railway management itself put into effect. Of course, he could not cite a single case. He dodged around the question in a four-page letter, but he did not instance any "crippling economies." I simply stated to him that if there were any crippling economies the executive officers were responsible, but I did not think they were so stupid, because at the present time because of traffic decreases they are having quite sufficient troubles of their own.

Another unfair charge made against us is that we forced on the Canadian National Railways management the ten per cent reduction in the wages of the running trades. We had nothing whatever to do with this reduction. It was brought about by the management of the Canadian National Railways and the Canadian Pacific Railway working together with the representatives of the men's unions. The unions, having had pointed out to them by the railway executives the serious financial condition of both roads, accepted the ten per cent reduction, and I think they deserve credit for their patriotic and loyal stand.

Another charge has been made against us which I think is the most malicious of all. I mention it because it came to me as Minister

of Railways from various sections of western Canada, from my own section, from Dauphin, from Saskatoon, from Rainy River and from other quarters, but I remember those four particularly. The charge was that we were forcing the Canadian National Railways to divert freight traffic to the Canadian Pacific Railway, thereby cutting down the earnings of the Canadian National Railways and adding to the earnings of the Canadian Pacific Railway. This charge became so general in some papers and was so generally believed by the men of the Canadian National Railways, that Mr. Warren, western vice-president and general manager of the Canadian National Railways, issued a statement from Winnipeg under date of December 2, 1931:

> That the Canadian National Railways is diverting grain traffic to the Canadian Pacific Railway in the west, as implied in recent newspaper correspondence and current rumours, is emphatically denied to-day by A. E. Warren, vice-president, who upon his return from a business trip to the Pacific coast, issued the following statement:
>
> It is clearly contrary to sound reasoning for the Canadian National to throw away business at any time, let alone in these times, when this company, in common with all railways the world over, is fighting to secure its share of the traffic offering, and nothing as suggested in the reports has occurred. Rather, the movement of grain by the Canadian National for some weeks has been such that the company was able to put back into service a goodly number of employees, to assist in the transportation of this increased movement.

That was wired by Mr. Warren to all the western newspapers. May I say there has been no politics injected into the Canadian National Railways. Sir Henry Thornton takes that attitude in a statement which he issued in the last few weeks, and which I think most hon. members have read. He points out what is true, that the management controls the roads. Our role has merely been to point out to the management where we thought they could improve conditions to the advantage not only of the road but of the people of Canada. May I say quite frankly that even in the most prosperous days of the Canadian National Railways many of these economies of which we are now bearing the brunt should have been put into force.

The management of both the Canadian Pacific and the Canadian National Railways have stated to me that freight rates in Canada are the lowest in the world. In fact Sir Henry Thornton in a letter to me states that if the same freight rates prevailed in Canada as prevail in the United States, the earnings of the road for the past few years would be from $15,000,000 to $26,000,000 greater annually. I wish merely to point out that we cannot have very low freight rates, luxurious passenger accommodation, unnecessary services, and branch lines running to our back doors, and at the same time maintain the railways in a condition of solvency. Let every Canadian do his best to help both railway systems get back on their feet, remembering that better times mean better services. We should all realize that the accumulation of past mistakes has endangered the financial structure of the whole dominion. We should also remember that this is a Canadian question—a question bigger than any party, bigger than any government. We have on the northern half of this continent ten million people endeavouring to develop it, and there is a limit to the taxing possibilities of that population in an area such as ours.

Some hon. MEMBERS: Hear, hear.

Mr. MANION: We must also remember, that in 1931 we had to finance $300,000,000, not one cent of which had to be taken care of before the war. That $300,000,000 was made up of interest on the war debt, on pensions and soldiers' services of various kinds, Canadian National Railway needs, and unemployment relief. We may perhaps bear in mind that when normal times come, as we are all hoping they will come in the near future, these trials through which the railways have been passing certainly ought to be helpful to them, because in hard times all of us, including railway executives, learn something of the fundamentals of sound business. So far as the future is concerned, it seems to me that with a reasonable return to business and commercial normalcy, with a fair attitude by the people of this country in their demands not only as to capital expenditures, but as to railway rates, and with care, caution and economy on the part of the management of our railway system, we may look to the future with hope and confidence.

But because of the serious condition in which all our railways found themselves, it is within the knowledge of this house that we appointed a royal commission to look into the transportation question. In discussing that question it is well to remember that the commission was suggested by Sir Henry Thornton himself before the railway committee last session. His recommendation was endorsed by the committee, and its report was adopted unanimously by this house. The public and the press took the attitude to a large extent that such a commission should be appointed, and as a result there was appointed a most

distinguished commission made up of big men in business, big men from various walks of life in our own country and other countries, men of such reputation that they would be beyond the influence of anyone, if anyone had the temerity to try to influence them.

May I briefly give the names and positions of these commissioners, in order to complete the record. The chairman is Mr. Justice Duff, who I am told by many lawyers is perhaps the most outstanding member of the judiciary of this country. Then there is Lord Ashfield of England, who made an enviable record in transportation matters not only in the United States but in England as well. There is Mr. Loree, president of the Delaware and Hudson Railway, who told me that even during this period of depression he had not found it necessary to lay off one man throughout his whole service. He has an outstanding reputation in railway matters in the United States. There is Sir Joseph Flavelle, whose reputation as a business man is known throughout the country. Then there is Mr. Beaudry Leman, late president of the Canadian Bankers' Association, who was an outstanding engineer before he became a banker. There is Doctor Webster of Shediac, New Brunswick, who had an international reputation in the medical profession in both Scotland and the United States, and finally Professor Walter Murray of the University of Saskatchewan. I mention these gentlemen because it is worth while to have their names and their standing upon the record, and incidentally I may say that so far as I can find out, of the five Canadian members of the commission three were originally Liberals while two were originally Conservatives. I am not trying to define the politics of the men from other countries; I mention this because it shows that in naming this commission we were not attempting to pack it in any way but were appointing a commission worthy of the name, which would be big enough and strong enough to go into this whole question and make a report which we hope will offer a real solution to the transportation problem of this country. If they can do that certainly they will deserve the gratitude of the people of Canada.

In closing may I just say that in view of the condition we found when we came into office, I submit to this house that the attitude we have taken has been eminently fair and has worked in the interests of our country as well as the interests of the Canadian National railways.

Mr. JEAN FRANÇOIS POULIOT (Témiscouata): Mr. Speaker, during the winter most settlers and sons of farmers work as lumbermen and make a living by cutting railway ties. I remember very well that Sir Henry Thornton once declared before the committee on railways and shipping that he was ready to purchase ties from any settler who made application to him, but now things seem to be a little different. I credit my good friend the Minister of Railways and Canals (Mr. Manion) with all sincerity; I listened with great attention to his remarks with regard to the purchase of ties, particularly what he said yesterday, but there is one point I should like to bring to his attention.

Apparently this year the settlers have met with some good Samaritans called the Stadacona Sales Company. Public rumour says that this firm, or association, or company is composed of Mr. Maher, a Conservative organizer, a certain Mr. Bolduc, and perhaps a certain Mr. J. S. Royer, and rumour adds that a director of the Canadian National railways is also a member of that firm. I cannot testify as to the truth of that rumour, but that is what is being said. That firm, the Stadacona Sales Company, is a toll gate for ties, eatables, provisions and supplies which are used in Quebec; they make a rake-off on every Canadian National and federal contract. I make that statement as a member of parliament. This organization is something like the Russian selling organization which is located in New York, the Amtorg Trading Corporation, but in any case it is very well known. They get the cream of every Canadian National railway and federal contract which has to do with the province of Quebec.

These were the people who exploited butter for political purposes during the last election, and now they are exploiting preserves in their grafting propensities. There was a great jam and preserve factory in Ontario conducted by Mr. E. D. Smith, whose contracts with the Canadian National have not been renewed; is it because it was selling its products too cheaply? On the menus of the Canadian Pacific Railway and the Canadian National Railways there are many kinds of preserves, jams, marmalades and honey that are sold for 15 cents a portion. When we ask the waiter if he has something better than the 15 cent brand he answers that he has. It takes him about five minutes to get it; he has to go to the cupboard, the vault or the strong room of the dining car, and then he returns with an individual portion such as I have in my hand. I have two jars here, the one full and the other empty, and

I may tell my friends that the empty one is better than the full one, because there is nothing bad in it. My hon. friend from Compton (Mr. Gobeil) will be glad to hear the name on the label of this jar, because it is something like his own. The label says it is wild strawberry preserve guaranteed pure.

Mr. GOBEIL: What is wrong with that?

Mr. POULIOT: When my hon. friend from Compton speaks he does so with a sour mouth. I thought he must have been eating pickles, but perhaps he was eating this kind of preserves; is it just as sour as pickles? At any rate, this Stadacona Sales Company found a great commercial genius in the town of La Patrie, Quebec, and La Patrie goes well with the Canadian National. I do not know whether it is a lady or a gentleman—it is simply J. Well, J. might stand for Juliette or for Joe; it might stand for John or Jack. I do not know. There is mystery in a name; as Shakespeare said, "What's in a name?" At any rate, this viscous, luxurious compound purports to be a preserve of some sort. On the principle of Canada first, the Canadian National Railways ordered some of this viscous compound, notwithstanding that there are excellent and cheaper preserves made elsewhere in Canada. I see there is a preserve put up by the E. D. Smith Company, and if I am not mistaken, that Mr. Smith is a member of the Senate—a very distinguished gentleman, an excellent senator. Everyone who has tried Mr. Smith's preserves swears that they are excellent, and the price is only 15 cents. But this atrocity costs 10 cents more, which represents an increase to that extent over the legitimate profit that Mr. Smith enjoys. I am glad to note that so many ladies are listening to and appreciating this advertisement which I am giving Mr. Smith's article. Mr. Speaker, here you have a surplus of 66.66 per cent, representing so much graft, and travellers must pay for that. I will sit down in order to allow the hon. member for Compton (Mr. Gobeil) to tell me whether he knows who manufactures this stuff.

Mr. GOBEIL: When you finish your speech I will answer.

Mr. POULIOT: Will the hon. gentleman tell me that? Will he tell me whether it is a lady or a man? I will sit down so that he may reply.

Mr. SPEAKER: Is the hon. gentleman concluding his speech?

Mr. POULIOT: By no means, Mr. Speaker. As I say, this 66.66 is graft, and all the time the Smith Company, who sell a very good preserve, are being penalized and we have to accept this viscous stuff as a substitute. I do not know whether my hon. friend from Compton is interested in the manufacture of this jam. The hon. gentleman is a paragon of virtue in this house; no one is as honest as he is, and as my hon. friend from Bellechasse (Mr. Boulanger) observes, we do not want to see the hon. gentleman die from eating this jam. Certainly I do not want him to poison himself; I do not want to see him commit suicide by eating this stuff; but I shall be more sorry to see him commit murder by inducing other people to eat it. I want my fellow Canadians and my friends to live as long as possible. I do not want to see them dying from eating such stuff. Now there is something else. If these strawberries are sold by a cooperative of farmers of Compton county, may I ask whether all the farmers of that county share in the profits that are derived from the sale of that stuff? If so, I will not complain provided that the product is of acceptable quality; I am sure it would then be. As I say, I do not know whether the hon. member for Compton has anything to do with its manufacture; I do not accuse him of that. But I should like him to tell me, if he is going to speak, where that jam is made—it is really not jam; it is not as thick as jam but quite viscous. First of all, where is it made? In what house is it made? Perhaps it is not made in a house; perhaps it is made in a barn. I should like him to explain also, if he can, how this preserve was made in the wintertime. Incidentally, I must say that the hon. gentleman apparently has a wonderful memory, because I see him taking no notes at all although I am asking him a number of questions, and if he does not reply I intend to put my questions again when the bill is in committee. I am notifying him in advance, so that he had better take notes of the questions I am putting to him. Another question which I hope he will be good enough to answer is this: Did he recommend the sale of that stuff to the Canadian National Railways for their trains and hotels and even for the restaurant here? I should like to know that.

Mr. MANION: The hon. gentleman understands, of course, that purchases of all kinds for the Canadian National Railways are made by the management itself; we are not even consulted in the matter. I mention this merely to inform him that we have nothing to do with such matters as he is dealing with.

Mr. POULIOT: The minister will permit me to remind him that up to the present moment I have said nothing offensive with reference to himself, and what is more, I do not intend to say anything offensive about him.

Mr. MANION: That is all right; I wasn't suggesting that.

Mr. POULIOT: Let me say to the minister, however, that in my opinion the management of the Canadian National Railways was wrong in buying this stuff. I am criticizing this as a purchase made by the management, and whether the purchase was made through the Stadacona Sales Company or through any other concern, the cold fact remains that this atrocious compound has been bought by the Canadian National Railways and, what is worse, has been bought at a higher price than would be paid for preserves of better quality. That is all. But what I find most extraordinary is this, that in this part of the country at present it is pretty hard to pick strawberries, and yet we find that this preserve has been put up during the winter. We had a very mild winter, it is true; December was exceptionally mild, and one or two strawberries were found here and there. But surely people cannot find strawberries in wintertime to make jams and preserves. Certainly you could not pick enough strawberries to sell to the Canadian National Railways for all the people who travel on their trains.

An hon. MEMBER: Does not the hon. gentleman know that we have ever-bearing strawberries in greenhouses?

Mr. POULIOT: If they came from greenhouses I am sure the price would be at least 75 cents. But this does not purport to be made from greenhouse strawberries; they are wild strawberries. Apparently they grow in the fields, under the snow, for this preserve was made in January. In the case of the parliamentary restaurant I could not believe that these strawberries were purchased last summer to be used this winter, but I was told that the purchases of preserves by the Canadian National Railways were made in January. The strawberries themselves probably have to be purchased in June because in December or January the fields are covered with snow and nothing can grow.

I do not know if this one manufacturer is related to the hon. member. When he is present in the house perhaps he will tell us who recommended that this product be used, when the company first started to make preserves, how large their kettles are and so on. To use an American expression, it will be interesting to hear about the melting pot and to find out what quantity of jams or preserves have been sold and at what price.

The jars used by E. D. Smith and Company are of the same size and shape as those put up by the other company. The label may be a little different but everything else is the same. One is sold for fifteen cents while the latter is sold for twenty-five.

The hon. member for Compton is very scrupulous. He told me the other day that he was defending the millionaires. Is he one in making? He told me also that I was fattening myself at the expense of the country, but I have never done that. I wonder if he is any relation to lord bacon, Sir Joseph Flavelle? That gentleman is an important personage in the city of Toronto and perhaps through him the other fellow might sell more preserves.

Down in my constituency are many people who for years have been faithful employees of the Canadian National Railways. This company now comes along and says it has no money and some of these employees are sent back home. They are being deprived of work while such contracts, as those to which I have referred, are being carried out. I know the Minister of Railways is doing his best, but such practices are unfair. There are 50,000 people in my constituency, several hundred of whom work for the railway company. Some of these men have had the honour to drive the trains upon which the Prime Minister (Mr. Bennett), the Governor General or Sir Henry Thornton have ridden. For this service they received letters of appreciation, but that is all. Some of these men came from the country, others from the different villages; they established themselves and attempted to bring up their families as good citizens. Now they are being deprived of work because the company has no money. I remember the first session of 1930, when the leader of the opposition (Mr. Mackenzie King) stated that he considered it was his duty to prevent unemployment, and he told Sir Henry Thornton to keep on as many men as possible. When this government came into power there were fewer unemployed than there are at the present time. The Minister of Railways has just said that the Canadian National Railways must practise economy. We agree with him, but at the same time we cannot approve of the railway increasing the number of unemployed.

I receive letters every day from people who have been deprived of their livelihood,

and yet money is being wasted on contracts similar to the ones to which I have referred. I do not know who is responsible for this, but I ask the minister to see to it that he is dismissed at once. These contracts should be cancelled and those people who have been put out of work because economy was to be practised should be reinstated at once.

Last year the minister and I had our little tilts, but I have learned that he was not responsible for the trouble in my constituency. Another hon. member was responsible for this, and I intend to confront him with these facts upon his return. It is my duty to defend my people; that is why I am here. When our people are in distress and when we are here to look after unemployment relief, it is our duty to fight for their interests. I do not wish to be disagreeable to anyone. In times of prosperity I would not mind anyone making some money by selling preserves in the right manner, but in times of distress, when people are in such trouble, one should see to it that the trouble ceases and profiteering is stopped.

Mr. SAMUEL GOBEIL (Compton): I do not for one moment propose to answer such an uncalled-for and silly statement as we have been obliged to listen to from the hon. member for Témiscouata (Mr. Pouliot), except to say that during the last four, five or perhaps six years one of my brothers in La Patrie has built up a little private trade in wild strawberries put up in cans. I have not the full information in regard to the matter; I hope the hon. member brings it up before the railway committee and between now and then I shall endeavour to get full information. The only thing I can say to the house to-day is that it came to my knowledge about a year ago that my brother received a sample order. Of course I am no merchant, but I imagine these sample orders are shipped on the understanding that they will not be paid for unless they are satisfactory. That is all I have to say for to-night, and if my hon. friend wishes to bring the question before the railway committee I shall certainly endeavour to get the particulars so as to be able to state the facts.

Mr. R. W. GRAY (West Lambton): No more important bill has been brought before the Commons than that which the Minister of Railways (Mr. Manion) has introduced to-night. He has given us a very fair and clear explanation of it, and had he not been prompted by one of his colleagues, the Minister of Trade and Commerce (Mr. Stevens), one would have had very little fault to find with the character of his speech. One or two matters discussed by the minister, however, induce me to refer very briefly to his remarks.

The first is the point raised by him that the conditions in which the government, on taking office, found the railway was due to a certain extent to the methods of the late Liberal administration. May I point out to him that during all the years since the Canadian National railway system has come into being, there has been annually appointed by the house a committee consisting of various members from all sides, Conservatives, Liberals and Progressives, and that each year, certainly since I have been a member of the house and of that committee, we have brought in a unanimous report on the Canadian National railway estimates and other matters which it has had to consider. Those of the Conservative party who sat on the committee had every opportunity to criticize the methods of the railway or of the government or the expenditure, had they seen fit to do so. The minister, while a member of the opposition, had every opportunity to criticize the committee's report when it was brought in, but I do not remember a single occasion when either the minister or any member of the present government or any other hon. gentleman on that side criticized the committee's report when it was presented to the house. Therefore I say to the minister he is hardly fair to the late administration when he blames it for the condition in which the Canadian National Railways found itself when he took office.

The other point on which I wish to speak for a moment is in connection with the royal commission appointed by the government. It is true that this commission was recommended by the committee of last year. I am glad also to find that the minister gives the committee credit for making various recommendations as regards economy and that those recommendations have been followed by the railway. But when he speaks of this commission; when he eulogizes the various appointees of it and goes out of his way to say how impartial the commission is and that he knows not whether its members vote Grit or Conservative, that is not the main question in which we as Canadians are interested. What we are concerned in is the report that these men will bring in, and had the minister not raised the question I do not think any hon. member would have discussed it until the report is brought in, at which time we can judge whether these men are of the high character that the minister has given them. If newspaper reports of various

statements made at Winnipeg, Ottawa and elsewhere are true, it seems that the commission will not be very favourable to public ownership in this country. One has only to recall that Mr. Loree, whom the minister extolled a few minutes ago, said at Winnipeg that he had never found any government that could carry on business on a competitive basis. We recall that Sir Joseph Flavelle, I think in Ottawa, severely condemned public ownership. I think we should reserve, until the report is brought in, the question regarding the character and type of these men, and I do not think the minister should at this time have introduced the subject matter of the royal commission.

Mr. MANION: I did not discuss public ownership or anything of that sort. I just want to point out to my hon. friend that he has not mentioned Professor Murray, who I understand is an out-and-out public ownership man. I do not know what the others are.

Mr. LAPOINTE: It will be a minority.

Mr. MANION: It may not be a minority. I do not know what the others are. I think we might leave the projected report out of the discussion.

Mr. GRAY: I think so too. The reason I criticized the minister was that it was he who introduced the question of the royal commission and sought to spread a halo around the heads of the men whom the government has seen fit to appoint.

Mr. MANION: I stated merely that they were distinguished men; that is all.

Mr. GRAY: And that they were impartial in the way they voted. My point is that we shall judge these men by their report and I am quite prepared to leave the matter over until it is brought in. I do not think it should be discussed further at this time.

Hon. P. J. VENIOT (Gloucester): I should like, for information, to ask a question of the minister. It might better be asked in committee, but I want to prepare him so that he may be able to give the answer then if he cannot do so now. The debt of the government of Canada was given as one billion three hundred million dollars. I would like to know what amount is included in that charged up against the old Intercolonial.

Mr. MANION: The Intercolonial—if I may be permitted to reply, as this is out of order—is included in the figure for government constructed roads with the Prince Edward Island Railway and the National Transcontinental. The figure for the three of them is given at about four hundred million dollars.

Mr. VENIOT: Are there any interest charges in the books of the government against the old Intercolonial? I would like to know what the Intercolonial cost and what amount is actually charged against it as a government obligation. I ask that for this reason: The old Intercolonial is included in the pact of confederation and Canada itself did not furnish all the money for its construction. Whatever money Canada did furnish for the construction of the old Intercolonial should not be entered up in the books of Canada as a charge against that enterprise, because it was part of the pact of confederation which united Upper Canada with the maritime provinces. The Intercolonial was constructed for the purpose of giving an Atlantic outlet to the business of Ontario and Quebec, and if this is charged up against the Intercolonial it means just that much more overhead which must be taken care of. I wish the minister would look up that information and be prepared to give it when we are in committee.

Hon. PETER HEENAN (Kenora-Rainy River): I should like to take a few minutes, Mr. Speaker, to make a few observations. I would not have taken advantage of this opportunity to-night had it not been for the fact that the Minister of Railways (Mr. Manion) has brought the matter to my notice.

The minister took occasion to discuss the question of the commission investigating the railways and to eulogize its members. Like my good friend from West Lambton (Mr. Gray) I would have preferred to remain quiet on this question until we had the commission's report before us, but I am not so sure that the minister's remarks with respect to the commission will do much to placate the feelings of the railroad men themselves with respect to the commission. The minister knows that representatives of the railroad men of the country requested that he appoint one of their members to the commission to represent them, but he failed to do so. No matter what recommendations the commission may make, if they affect anyone in the slightest degree they must certainly affect the lives of the railroad men and their families more than any other section of the Canadian people, and yet the railroad men are the only ones without representation on the commission. Let me tell the house, because the Minister of Railways himself and the government know the fact full well, that twenty-one general chairmen of the Railroad Workers' Unions, representing 26,000 railroad men in this country, have protested to the government with respect to certain members of this commission. They have

this to say, and I am now quoting from the Montreal Star of December 2, 1931:

"Honourable R. J. Manion,
Minister of Railways,
Ottawa, Ontario.

Sir, on behalf of 21 general chairmen representing engineers, firemen, conductors, trainmen and telegraphers over 26,000 in number on Canadian railroads, have noted with surprise and sincere disappointment a reference in today's press to the possibility of your government considering the appointment of Sir Joseph Flavelle, of Toronto, as a member of the commission to investigate the Canadian railway situation. I am instructed by this committee to advise you on their behalf that Canadian railroad men would be overwhelmingly opposed to the appointment of Sir Joseph Flavelle on this commission because in our judgment he has always found himself unable to exercise a reasonable view of the rights of individuals as contended for by organized labour and workers generally and to implore your government therefore to refrain from making this appointment."

The above telegram was also sent to the Minister of Labour, who replied by wire on November 14.

A similar telegram was also sent to Right Hon. R. B. Bennett, Prime Minister, and on November 16th, Hon. Geo. H. Perley, Acting Prime Minister, advised that you were replying to our telegram of November 13, and that he concurred with your reply.

On November 19, we received a letter from you, which we noted was dated November 14, and the next day the press carried notice of the appointment of the commission to investigate the Canadian railway situation.

We now desire to reaffirm our position as outlined in above telegram, and also to express on behalf of the 26,000 Canadian railroad workers whom we represent, the dismay and disappointment which they and we feel in the appointment on this commission of the member named from the United States. Our reasons are as follows:—

1. The gentleman named is now and has been for more than a quarter of a century known and noted by organized labour as its most bitter opponent.

2. He has by his continued opposition to anything emanating from, or connected with organized labour, made it impossible to secure adherence to wage agreements on his own line.

3. He has been ever ready to lead a battle or opposition against organized labour, its views and its claims, when others were doubtful of the justice of such course.

4. He is the only railway chief executive on this continent (in our judgment) who requires and insists on employees of the various classes on a portion of his through line, working for lower wages than similar classes of employees on the remainder of the line this being done on the pretext that those employees, who are underpaid, are on a separate chartered railway. We refer to the Napierville Junction railway in the province of Quebec, a part of the main line of the Delaware & Hudson railway from Montreal to New York.

5. Some months ago this gentleman prepared and submitted a grouping plan for consideration and adoption by the Interstate Commerce Commission, in which the Delaware & Hudson railway was proposed as the dominating component part of the group. That proposal was treated by the Interstate Commerce Commission and by other railway operating heads as it deserved.

Thus, in our judgment, you have placed on this railway commission, the most pronounced opponent of labour's rights and claims in Canada, and a similar choice has been made from the United States.

We know that not only the men in the classes specified above, but practically all of the more than one hundred thousand railway employees in Canada will be seriously disturbed by the appointments referred to.

Labour expects no special consideration but does hope for reasonable unbiased judgment where its interests are vitally concerned, as in this case.

I have the honour, on behalf of these 21 general chairmen, to be, sir,

Yours respectfully,

(Sgd.) J. B. B. Ward,
Chairman of
General Chairman's Conference Committee.

These men, Mr. Speaker, are not politicians. They are divided about equally—

Mr. MANION: But the protest came in after the commissioners were chosen.

Mr. HEENAN: I will leave the record to speak for itself. I got the letter which I have just quoted from the Montreal Star, and the railroad men say no. But taking the minister's own word, has he and the government no more regard for the lives and living conditions of the railroad men of this country than to appoint a commission of this kind without the railroad men having a single representative on it? I notice that the minister in his remarks took credit to the government and to his department for practically everything that was favourable with respect to the Canadian National Railway.

Mr. MANION: Oh, no.

Mr. HEENAN: On the other hand he has credited to the management everything of an unfavourable character. He tells us of our railways looking for the wrong kind of traffic, as if our railway managements were not the best in the world. Then he told us of the economy committee and that the Minister of Railways himself is represented on it, and he cited the economies that committee has put into effect, amongst them the ten per cent cut in wages.

Mr. MANION: I did not. The economy committee I quoted as cutting down capital expenditure. The economies the hon. member referred to were effected by the management, and I said so. I do not wish to be misquoted.

Mr. HEENAN: At any rate, he quoted quite approvingly the ten per cent cut in wages.

Mr. MANION: I did not discuss it.

Mr. HEENAN: He commended the men for taking the cut in a loyal way.

Mr. MANION: Hear, hear.

Mr. HEENAN: I know how those men took that reduction; they took it the same as the opposition took the bill passed by closure this afternoon. They took the reduction because they had to do so or strike. In that instance I agree with the minister that they were loyal, for rather than tie up the commerce of the country they took the wage reduction. But it is a peculiar situation, and I know the railway men see it as I do, that every time there is a Conservative government in power they have to accept a reduction in wages. I am not suggesting at this time that the government has anything to do with it, but in 1921, just before the Conservative government left office, the railway men had to take a twelve per cent reduction in wages, while between 1926 and 1930 they got between six per cent and nine per cent of that back, but now, with the advent of another Conservative government, they have to take a further ten per cent cut in wages. That speaks for itself.

I could not let the minister's remarks approving of the commission he appointed pass without comment. I do not know any of the gentlemen, but these twenty-one general chairmen know all the executive heads of the railroads of the American continent, and they know who are antagonistic to the ideals of labour. No one in this house, I am sure will stand up and say that railway labour and their representatives are not as fair and reasonable a body of men as can be found anywhere on this continent. Therefore when they make a protest of this character it should be heard. I wish to put myself on record as protesting against this government appointing a commission without the men having a representative on such commission any recommendation of which, however slightly it may affect our railway operations, must in turn affect the lives of the men working on those railways and their families more than anyone else, yet they are the only class of people who have not representation on the commission.

Motion agreed to, bill read the second time and referred to the special committee on railways and shipping.

41761—104½

SUPPLY

DEPARTMENT OF JUSTICE

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

Yukon territory—miscellaneous expenditure, including salaries and allowances of court officers, etc.—further amount required, $1,000.

Mr. COOTE: We have not been able to hear what particular business is being carried on.

Hon. E. N. RHODES (Minister of Finance): These are the supplementary estimates for the past year, brought down the other day.

Mr. VENIOT: As I understand, these supplementaries are to make up the difference between the estimated expenditures voted last session and the actual expenditures during the year.

Mr. RHODES: Yes.

Mr. VENIOT: Which shows that in order to meet the administration of justice you now require $1,000 more than was estimated and voted in 1931.

Mr. RHODES: Yes.

Mr. VENIOT: That being the case, I should like to have an explanation from the Prime Minister. On March 30, 1931, when introducing the supplementary estimates, he made the following statement:

No department has the right to allow its officials to exceed the estimates voted by parliament. This principle has been clearly established, but in spite of this fact such estimates were exceeded without the knowledge of the ministers. The time has come when rigorous steps must be taken to prevent a recurrence.

When the Prime Minister had these estimates before the house I drew attention to the fact that I did not think what he had stated could be carried out. I see now that in making that remark I was quite right, because these supplementaries amount to $2,242,474.83.

Mr. RHODES: My hon. friend is including the railways.

Mr. VENIOT: It should be $1,059,474.33?

Mr. RHODES: Yes.

Mr. VENIOT: The Prime Minister assured the committee at that time that a new system was to be adopted, and that great care would be exercised in seeing that there was no over-expenditure.

Mr. BENNETT: And there was not.

Mr. VENIOT: And that in future we would not be called upon to vote supplementaries in the same manner as we had been in previous years.

Mr. BENNETT: And you are not.

Mr. VENIOT: It appears to me quite singular that the Senate expenditure for the year ending March 31st, 1932, could not be better estimated. I see $12,000 is required under item 300. So the estimate was far afield.

Mr. BENNETT: Not a bit.

Mr. VENIOT: Then I find under public printing and stationery a further amount of $7,250. I well remember that the Prime Minister made quite a speech on the question of printing, that the cost should be reduced, and that so and so should be done. He claimed at that time that in the Post Office Department expenditure on this head had been accumulating from year to year, and he said that it would not happen in future.

Mr. BENNETT: It has not.

Mr. VENIOT: Why do you want the extra $7,250?

Mr. BENNETT: That is all for this parliament.

Mr. VENIOT: What the right hon. gentleman says is quite true, but we were told that there would be no repetition of this in the future.

Mr. BENNETT: There has not been.

Mr. VENIOT: Then the figures must be wrong. Then we have an over-expenditure in connection with the House of Commons of $63,124.33. Surely that could have been estimated more closely.

Mr. RHODES: I should like to ask my hon. friend how the government can estimate how long a session of parliament will last.

Mr. VENIOT: The last session of parliament lasted just over four months. I am sure the acting Minister of Finance at that time—

Mr. BENNETT: No, the Minister of Finance.

Mr. VENIOT: I beg your pardon; I am sure the present Prime Minister, with all the ability he professes to have and the close attention he says he has been giving the business of this country in order to see that economy is practiced, could have made a closer estimate than this. Then our contribution to the League of Nations requires $32,000 more.

[Mr. Bennett.]

Mr. RHODES: That is easy to explain.

Mr. VENIOT: I should like the explanation. Then we have some miscellaneous items, including a loan to the harbour commissioners of Montreal amounting to $22,400. I wonder why this is put in the supplementary estimates; was there no other way of doing it? I can understand the expense in connection with the royal commission on transportation. The government was not quite sure whether or not that commission would be appointed, and when the appointments were made provision had to be made for expenses.

What I am trying to direct the attention of the committee to is the very decided stand taken by the Minister of Finance of that day, that in future under his eagle eye this house would not be required to pass supplementary estimates at the beginning of the session. This reminds me of one point, which I will touch only briefly now because I intend to take it up when the budget is under consideration; I refer to the great difference between the revenue estimated by the Minister of Finance of that day and the actual revenue of last year. Later on I will take some time of the committee to discuss that matter. I am glad the Prime Minister has rid himself of the burden of the Department of Finance; I hope the present Minister of Finance will make a better guess at what will be required for the future than the former minister made last year.

Mr. BENNETT: When the financial statement is given the hon. gentleman will find that more money has been saved in the departments, as compared with the estimates made, than has been the case for many years past. If my hon. friend will be good enough to direct his attention to the items of which he spoke he will see that the first item is with respect to the administration of justice. A trial had to be held in the Yukon in connection with an event that had not happened when the estimates were prepared. It cost something over $1,000, and $1,000 is required to discharge the balance in connection with that trial. No estimate could have covered that expenditure.

With respect to the next two items, covering legislation and public printing and stationery, totalling something over $90,000, the extra expense arose from parliament sitting longer than was anticipated.

Mr. VENIOT: What was the anticipated length of the session?

Mr. BENNETT: The usual length. In addition, parliament met in February this

year, and the charge against the appropriation was for the month of February and March. The item for public printing and stationery is in connection with the unusually large number of documents that had to be printed, arising out of the many matters coming up in the House of Commons that could not be foreseen at that time.

Then there is an item with respect to pensions and national health, which the hon. gentleman did not mention. In these cases it was the custom formerly to issue governor general's warrants, but in this instance it was known and perhaps should have been stated that the estimate would not cover the expenditure. The reasons given by the officials of the department as to why the previous administration had made these expenditures by governor general's warrants, before the house met, are very excellent reasons; that was done in order to lessen the expenditure. In this instance, however, owing to the severity of conditions, the appropriation was not nearly sufficient, and the passing of legislation is involved in order to provide for this large sum.

Mr. MACKENZIE (Vancouver): Is that for the ordinary payment of pensions?

Mr. BENNETT: No; there is a surplus under the estimate with regard to ordinary pensions, as the Minister of Finance will disclose at the proper time. This represents provision made for necessitous pension cases, and the amount varies from year to year. It was known that the expenditure would be in excess of the estimate, and this was provided for previously by governor general's warants, for reasons I need not mention since the hon. gentleman who has just spoken was a member of the previous administration.

Mr. VENIOT: Is it still done by governor general's warrants?

Mr. BENNETT: No. The next two items result from the unfortunate exchange position, which could not readily have been foreseen. Our contribution to the League of Nations, if my memory serves me aright, is payable in Swiss gold francs, and it required this extra sum to make good the exchange required to make the payment. With respect to the other item of $3,000, while there was a surplus under the Paris vote it was not sufficient by $3,000 to take care of the exchange situation.

The item at the top of page 3 is one which I should not have thought the hon. gentleman would mention. This represents an obligation placed upon the country by reason of the guarantee of bonds to the extent of $19,500,000 for the Montreal harbour commission, there being no limitation placed in the statute.

Mr. VENIOT: I just asked if this could not have been done in another way.

Mr. BENNETT: Outside of the $875,000 with regard to pensions the total supplementary estimates amount to less than $200,000, of which $35,000 is represented by exchange operations. This leaves less than $165,000 required by way of supplementary estimates for last year, and over one-half of that sum is represented by the printing of reports and proceedings and so on of the commons and senate. I think if the hon. gentleman looks through the records he will not find a similar case for many years. There has been no accumulation to carry forward to another year. At the proper time my hon. friend will find that millions of dollars less than the estimates were expended during the last fiscal year.

Mr. VENIOT: I hope the right hon. gentleman will be able to keep up that record.

Mr. BENNETT: I am sure my successor will be able to do so.

Item agreed to.

MISCELLANEOUS

Loan to harbour commissioners of Montreal, with interest at a rate to be fixed by the governor in council, for such period and upon such terms and conditions as the governor in council may determine, and to be applied in payment of deficits resulting from the operations of the Montreal harbour bridge—further amount required, $22,400.

Mr. COOTE: Will the Prime Minister give us some information about the cost of this bridge as compared with the estimated cost? Has any investigation been made with regard to the large increase which I understand is shown in connection with the construction of that bridge?

Mr. BENNETT: The estimated cost of the bridge as given in this house was $6,000,000, and the guaranteed bonds are $19,500,000. The report of Price, Waterhouse & Company indicated how the money was expended. It was expended for the construction of the structure, for the purchase of real estate and for the payment of fees, commissions and inspections in connection with the construction of the bridge. I do not think that at this particular time I can give the hon. gentleman a history of the matter, for I have not the papers with me. Suffice it to say that it has

placed upon the Dominion government an obligation which has to be met from time to time, there being no promise that in the immediate future the structure as a toll bridge will pay interest on the $19,500,000. I may say that further investigations are being carried on to ascertain why the expenditure was so great.

Mr. COOTE: Will some other opportunity be given during the session to discuss the matter, or will the Prime Minister at a later date give some further statement to the house in connection with this bridge?

Mr. BENNETT: I think—I am speaking subject to correction—that in the main estimates there is provision for this matter, which will afford an opportunity for discussion.

Mr. COOTE: Is the report of the auditors in connection with this bridge available to members of parliament?

Mr. BENNETT: It is not available to members of the house. It was made to the department and merely indicated how much money had been spent for various purposes. The investigations that have been carried on are not as to how much each portion of the structure cost but as to why it cost that much money, and that investigation has not been completed.

Mr. HEAPS: Will the Prime Minister later on give an itemized statement to show how the amount was arrived at?

Mr. BENNETT: If, as I think, the matter can be referred to by reason of there being a small item for interest in the main estimates, I shall be glad to give the hon. gentleman such information as I possess in that regard. I cannot, however, furnish the other information mentioned.

Mr. COOTE: When the investigation is completed, will the report of the investigators be available to the house?

Mr. BENNETT: I cannot answer that at the moment because part of it is being carried on by the investigators without the submission of any report. I have not myself received a report, except verbally as to a portion of the expenditure.

Mr. COOTE: I believe there is an opinion which is very general throughout the country that some public statement should be given as to the reason for the great increase in the expenditure over what it was estimated that the bridge would cost. I hope the Prime Minister will be able to give that statement to the house when this investigation is completed.

Mr. SPENCER: Is the investigation which is taking place departmental or through a commission?

Mr. BENNETT: No commission has been appointed. Price, Waterhouse & Company made a report as to the divisions of the total cost of the structure. That is to say, they indicated how much went for steel, how much went for land, how much went for law costs, how much went for commissions, for interest during construction and matters of that kind. All that was carefully examined. The rest of it has been a departmental inquiry, and I do not think it is in the public interest to indicate further the character of the investigation carried on for the purpose of ascertaining why the structure cost $19,500,000.

Item agreed to.

GOVERNOR GENERAL'S WARRANTS, 1931-32

Expenses of the Royal Commission on Transportation (governor general's warrants of December 9, 1931 and February 4, 1932), $35,000.

Mr. GRAY: Is this the $35,000 referred to by the Minister of Railways for expenses in connection with the commission?

Mr. RHODES: Yes.

Mr. GRAY: In his speech the hon. gentleman gave the names of the commissioners, referred to the excellence of their service and commented upon the impartiality of the views they entertained. I have already made some remarks with respect to Mr. Loree and Sir Joseph Flavelle. One of the gentlemen referred to by the minister was Lord Ashfield. I wish to quote briefly from The Statist of London, England, of February 27, 1932, in which there appears the report of a speech made by Lord Ashfield, and I do so to show the impartiality of this particular member of the commission. Speaking with reference to the underground electric railways group, Lord Ashfield says:

> The change of government which ensued upon the national crisis affected the fortunes of the London Passenger Transport bill, upon which, however, the proceedings can be resumed in the present parliament at the stage at which they were discontinued in the last parliament, if a motion to that effect is proposed by a minister of the crown and passed by the House of Commons.

What I wish to emphasize is the following:

There I must for the moment leave the matter, only remarking that I hold as strongly as ever that there can be no true and permanent solution of the problem of London passenger transport without a unification of ownership, administration and finance, in capable and independent business hands, extending to all the local passenger transport undertakings within a widely defined London traffic area.

I leave it to this house whether public ownership is or is not on trial before the commission.

Mr. COOTE: Will the Minister of Railways or the Prime Minister advise the house whether it is expected that the report of the commission will be available before the end of the session?

Mr. BENNETT: I notice in one of the papers a statement that the promise had been made in the speech from the throne that it would be. If hon. gentlemen will look at the speech from the throne they will find that this is not so. A hope was expressed that it might be so. At the moment I cannot answer the hon. gentleman as to whether the report will be ready or not. We, as a government, cannot do more than assist the commission in meeting any request it may make for information, and provide them with the facilities they may ask for in order that they may carry forward and complete their examination. Beyond that I cannot at the moment go, for it will naturally depend upon when the house rises whether or not the report will be available. If the house were to sit long enough, I have no doubt the report would be complete; but having no knowledge as to when hon. gentlemen opposite will permit the house to rise, I am not in a position to indicate when the report may be available.

Mr. LAPOINTE: Is there a possibility of the government acting on the report under the provision for the peace, order and good government of Canada contained in the bill passed this evening?

Mr. BENNETT: Inasmuch as the peace, order and good government provision will expire on May 1 and I have no reason to believe that the report will be made by that time, I think the hon. gentleman will admit that his question was intended more as an indication of his humour than as a desire for information.

Mr. LAPOINTE: My right hon. friend has given us an indication that there will be a new bill presented before the end of this session which will be an improvement on chapter 58 of the statutes of last year. Before that bill is drafted perhaps I might tell my right hon. friend that we will have strong objections to make to his securing the authority to settle the railway problem of Canada under the provisions of peace, order and good government.

Mr. BENNETT: I may say I agree wholly and entirely with the hon. gentleman.

Mr. MANION: I do not think the remarks of the hon. member for West Lambton (Mr. Gray) should be allowed to pass without a reply from myself. The statement which he quoted from Lord Ashfield was an ordinary business comment referring to the transportation system of the city of London, England; it no more referred to the transportation problem of Canada than it did to the canals on Mars.

Mr. GRAY: It showed his views.

Mr. MANION: He was speaking in ordinary business terms. As a matter of fact, Lord Ashfield has done extraordinary work for the government of England and at the present moment is regarded as close to being a government representative in connection with the transportation work in that country.

I referred to the commission in order to complete my statement, but I made no reference to the ideas of its members in regard to public or private ownership. I tell the committee quite frankly that I have no idea as to the feelings of the members in this regard. Mr. Loree has been quoted before, and it might be naturally concluded that he would tend toward private ownership because for many years he has been the head of a fairly large privately owned railway company. But on the other hand, as I pointed out earlier in the evening, Professor Walter Murray is an openly avowed public ownership man. I know nothing whatever as to the feelings of the rest of the members. Sir Joseph Flavelle was quoted by a previous speaker as being a private ownership man. As a matter of fact, Sir Joseph for some years was a member of the board of the old Grand Trunk Railway, appointed by the government of that day. I do not remember at the moment just which government it was that appointed him.

Mr. LAPOINTE: The Union government.

Mr. MANION: That government was made up of very good Conservatives and very good Liberals, so that he was appointed by a combination of both.

These men, outstanding in the business and professional world, were selected as a royal commission to deal with the railway problem of Canada. I doubt whether a more outstanding or abler commission has ever been appointed in this country.

Mr. HEAPS: Why was not a labour man appointed?

Mr. MANION: For the same reason that an agriculturist was not appointed—there was no attempt to have class representation on the commission. If that was to be considered I think it must be admitted that agriculture, which supplies a large proportion of the freight of the railways, should have been represented before labour.

Mr. MACKENZIE KING: They should have been; why were they not?

Mr. MANION: Simply because it is not necessary that every class in Canada should be represented on every commission appointed. The commission was very representative, and I am sure it will give a fair deal not only to labour and to agriculture but to all other classes in Canada.

Mr. HEAPS: I do not agree with the hon. minister when he says that this is not a class commission. I should say that men like Sir Joseph Flavelle, Mr. Loree and Lord Ashfield certainly represent a particular class in the community.

Mr. MANION: What about the other members?

Mr. HEAPS: I am not familiar with the other members. I submit that a representative of labour should have been appointed to this commission. If the government wanted to bring someone from England, there were other men besides Lord Ashfield who possessed a very thorough understanding of transportation. I have in mind a former Minister of Transport, Mr. Herbert Morrison, who was a member of the cabinet of the Labour government. This gentleman knows as much about transportation as any man in England. If it was thought necessary to bring Lord Ashfield from England, I think another man like Mr. Herbert Morrison should have been brought also to represent the other viewpoint in that country. I contend that the viewpoint of labour should have been represented on this commission. I do not think it was necessary to go outside of this country to find men who understand the railway situation. We have quite capable men in Canada, and if a representative of labour and agriculture had been on the commission it would have been able to give a better interpretation of the Canadian viewpoint.

Item agreed to.

Resolutions reported, read the second time and concurred in.

[Mr. Manion.]

WAYS AND MEANS

SUPPLY BILL

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Maloney in the chair.

Mr. RHODES moved:

Resolved that towards making good the supply granted to His Majesty on account of certain expenses of the public service for the financial year ending March 31, 1932, the sum of $1,059,474.33 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Rhodes thereupon moved for leave to introduce Bill No. 39, for granting to His Majesty certain sums of money for the public service for the financial year ending March 31, 1932.

Motion agreed to, bill read the first and second times, considered in committee, reported, read the third time and passed.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, April 4, 1932

The house met at three o'clock.

ROYAL ASSENT

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

Ottawa, April 4, 1932.

Sir,—I have the honour to inform you that Right Hon. F. A. Anglin, as deputy of His Excellency the Governor General, will proceed to the Senate chamber to-day at 4 p.m., for the purpose of giving the royal assent to certain bills.

James F. Crowdy,
Assistant Secretary.

CANADIAN NATIONAL RAILWAYS

Hon. R. J. MANION (Minister of Railways and Canals): I desire to lay on the table of the house the annual report of the Canadian National Railways for the year ending December 31, 1931, and the annual report of the Canadian Government Merchant Marine and the Canadian West Indies Service for the same period, in English and French.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

CANADIAN NATIONAL RAILWAYS DEBT

Mr. MACKENZIE (Vancouver):

1. What is the total present debt of the Canadian National Railways?

2. How much of the above is owing outside Canada?

3. How much inside Canada?

4. How much in New York?

Mr. MANION:

1. Long term debt:		
Funded debt unmatured		$1,276,457,206 77
Dominion of Canada account:		
Loans from Dominion of Canada	$604,406,239 42	
Interest on above accrued, but unpaid	354,173,113 03	
*Appropriations for Canadian Government Railways	405,209,240 07	
		1,363,788,592 52
		$2,640,245,799 29

2. As a very large proportion of the securities constituting the funded debt is in bearer form it is impossible to state how much is held outside of Canada.

3 and 4. See answer to question 2.

*Note.—This amount represents the cost of the Intercolonial, Transcontinental, Prince Edward Island lines, constituting the original Canadian Government Railways now administered by the Canadian National Railway Company. It is not debt owing by the Canadian National Railways, but is included by the railway in Dominion of Canada account to offset a corresponding amount included in the investment item on the asset side of the balance sheet.

CACOUNA, QUE., INDIAN AGENT

Mr. POULIOT:

1. On whose recommendation did the Superintendent General of Indian Affairs temporarily appoint Mr. Alexis Michaud as Indian agent, at Cacouna, Quebec?

2. Did the Superintendent General of Indian Affairs receive other applications for said position?

3. If so: (a) what are the names of the other applicants; (b) why was Mr. Alexis Michaud chosen in preference to other applicants?

Mr. MURPHY:

1. Mr. Michaud was appointed as temporary Indian agent at Cacouna on instructions of the Superintendent General of Indian Affairs.

2. Yes.

3. (a) Theodore Marquis; (b) Mr. Michaud was named to act only until such time as the Civil Service Commission selected a permanent agent.

SHELBURNE COUNTY INDIANS

Mr. RALSTON:

1. How many Indians are located in Shelburne county?

2. In what towns, villages or settlements, in such county, are Indians located, and how many are there in each place?

3. How many miles are each of these places: (a) from Shelburne; (b) from Lockeport?

Mr. MURPHY:

1. Forty.

2. Shelburne, 22; Barrington Passage, 9; Clyde River, 5; Sable River West, 4.

3. Shelburne to Barrington Passage, 36 miles; Shelburne to Clyde River, 25 miles; Shelburne to Sable River West, 22 miles; Lockeport to Barrington Passage, 55 miles; Lockeport to Clyde River, 44 miles; Lockeport to Sable River West, 11 miles; Shelburne to Lockeport, 19 miles.

IMPORTATION OF BUTTER

Mr. RHEAUME:

1. How much butter was imported into this country between January 1, 1931, and March 1, 1932?

2. How much was imported from New Zealand, Australia and other countries?

3. How many pounds were imported for each month and what was the duty levied on each pound?

Mr. RYCKMAN:

1 and 2. Imports by countries of butter entered for consumption in Canada from January 1, 1931, to February 29, 1932:

	Pounds
Great Britain	181,594
Australia	2,321,058
Newfoundland	300
New Zealand	344,320
Fiji Islands	9,408
Syria	160
United States	26,626
Total	2,883,466

3. Number of pounds of butter and rate of duty per pound collected on monthly imports entered for consumption in Canada, from January 1, 1931, to February 29, 1932.

Period	At 1 cent per lb.	At 5c. per lb.	At 8c. per lb. less 10%	At 12c. per lb.	At 14c. per lb.
	Lbs.	Lbs.	Lbs.	Lbs.	Lbs.
January, 1931	432,768	—	12,976	692	2,011
February	330,568	—	132,338	1,176	4,769
March	862,904	—	259,002	56,000	3,175
April	489,944	—	7,100	—	518
May	148,400	—	65,434	—	976
June	—	—	308	—	1,487
July	—	—	50	—	2,176
August	—	—	—	—	1,387
September	—	—	—	—	927
October	—	—	—	—	1,029
November	—	—	—	—	1,733
December	—	112	—	—	1,357
January, 1932	—	17,004	—	—	785
February	—	39,358	—	—	5,002

POTATO EMBARGO

Mr. BOULANGER:

1. Has the Canadian government entered into negotiations with the British government to have the embargo on Canadian potatoes entering England, lifted?

2. If so, are said negotiations still taking place or have they been discontinued?

3. If they have been discontinued, were they a success or a failure?

Mr. WEIR (Melfort):

1. Yes.

2. Negotiations have been discontinued for the time being.

3. Efforts to have the embargo against Canadian potatoes removed have not so far been successful.

CHIGNECTO CANAL COMMISSION

Mr. MacLEAN:

1. Has the report of the commission appointed to investigate the possibilities of the Chignecto canal been received?

2. If so, will the said report be tabled this session?

3. If the report has been received, is it favourable to the feasibility of the project?

Mr. MANION:

1. No.

2 and 3. Answered by No. 1.

UNOPPOSED MOTIONS FOR PAPERS

SHELBURNE COUNTY, N.S.—INDIAN DOCTOR

Mr. STEWART (Edmonton) (for Mr. Ralston):

For a copy of all documents, letters, telegrams, reports and other correspondence, communications, or papers relating to the change recently made in the position of Indian Doctor for the eastern part of Shelburne county.

SHELBURNE-YARMOUTH—PUBLIC WORKS FOREMAN

Mr. STEWART (Edmonton) (for Mr. Ralston):

For a copy of all reports, letters, telegrams, correspondence, memoranda or other documents relating to the selection of each of the foremen employed in respect to each of the federal works in Shelburne-Yarmouth, or taken by the government, to be paid for out of money authorized under the Unemployment and Farm Relief Act of 1931.

ABERCROMBIE AND NEW GLASGOW, N.S., WHARVES

Mr. STEWART (Edmonton) (for Mr. Ralston):

For a return showing the pay sheets, vouchers and particulars of the moneys expended in connection with the repairs at Abercrombie wharf and New Glasgow wharf, New Glasgow, Nova Scotia, under the Unemployment and Farm Relief Act of 1931.

ST. ODILON DE DORCHESTER, QUE., POSTMASTER—DISMISSAL

Mr. MARCIL (for Mr. Power):

For a copy of all correspondence, reports and other documents exchanged between the Post Office Department and all persons, in connection with the dismissal of Mr. Hilaire Roy, as postmaster of St. Odilon de Dorchester, including copy of the proof and evidence heard at the inquiry.

SHELBURNE, N.S., PUBLIC BUILDING CARETAKER

Mr. STEWART (Edmonton) (for Mr. Ralston) moved:

For a copy of all documents, letters, telegrams, reports or other correspondence or

communications, and all applications, ratings, examinations and reports on same, and generally all documents or papers in the custody or under the control of the Department of Public Works, or Civil Service Commission, or any other department or organization connected with the government, respecting the leave of absence and the retirement of the former caretaker of the public building at Shelburne, Nova Scotia, the appointment of a temporary caretaker to fill the vacancy in said position, and the appointment of a permanent caretaker to that position.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, with respect to that portion of the motion which calls for the production of papers in the possession of the Civil Service Commission, perhaps it will be within the memory of the house that the extent of our jurisdiction to order the production of papers from that body has not been definitely decided. With the understanding that such papers as the commission may furnish the government will be laid upon the table, there is no objection to the motion.

Mr. SPEAKER: With the reservation made by the Prime Minister the motion will carry.

Motion agreed to.

IMPERIAL ECONOMIC CONFERENCE

PARTICIPATION OF IRISH FREE STATE—NEWSPAPER DESPATCH

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): It was suggested the other day that the newspaper report to which reference had been made, indicating that a certain attitude might be taken by the Dominion government with regard to the proposed economic conference, was similar to despatches appearing in at least two or three other newspapers. I have taken the trouble to secure the report appearing in the Toronto Star, as well as the reports appearing in the Toronto Telegram and the Montreal Daily Herald, and I find a very substantial difference between the reports in these several papers.

The article in the Montreal Herald is by Robert Lipsett, special correspondent of the Montreal Herald, and it does not give the views that are attributed to the government in the report appearing in the Toronto Star. The article in the Toronto Telegram is very short, and in neither the Telegram nor the Herald does the report appear under a large headline, as is the case in the Toronto Star. In the issue of the Star of March 29 this article has a very important place. There is also a very vital difference in the substance of the reports, the one indicating the possibility of a boycott, while no such indication appears in the other reports.

Apparently there may have been a common foundation for these reports, but whether in the process of transmission to the several newspapers the reports were altered I cannot say, but at least they do not appear the same in their printed form. I have endeavoured to ascertain the source of the information but I cannot speak with any degree of certainty as to the source from which it emanated.

OPPORTUNITY FOR DISCUSSION

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): With respect to the Imperial economic conference, may I ask whether the Prime Minister would consider setting apart, at the convenience of the government, a day for the purpose of discussing matters pertaining to the conference. If one or two days were set apart for that purpose I believe it would meet the wishes of all sides of the house.

Right Hon. R. B. BENNETT (Prime Minister): There is an item in the estimates for an appropriation to defray the expenses of the conference, and it occurred to me that this might offer an opportunity for a very full discussion by the house. If it took a longer or a shorter time than might at present be contemplated, it would be quite all right. It would perhaps be inadvisable to set aside a day, but opportunity will be afforded to take as much time as might be desired for the purpose of discussing every aspect of the conference, upon that vote being considered by the house. We shall make special arrangements to endeavour to meet that view.

Mr. MACKENZIE KING: That is wholly satisfactory provided my right hon. friend will see that the item is not brought on too late in the session.

Mr. BENNETT: It is in the main estimates.

THE BUDGET

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask the Minister of Finance whether he is in a position to make an announcement as to the day on which he will bring down the budget?

Hon. E. N. RHODES (Minister of Finance): The budget will be brought down on Wednesday.

BEAUHARNOIS POWER PROJECT

GUARANTEES BY GOVERNMENT FOR ADVANCES MADE BY BANKS

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): The hon. member for North Waterloo (Mr. Euler) is not in his place but the hon. member for Vancouver Centre (Mr. Mackenzie) is, and since I was last in the house an announcement has appeared in the press that a protective committee of the holders of second mortgage debentures of the Beauharnois Power Company Limited has been appointed. I believe that notice is appearing in the press throughout Canada. I have made certain inquiries and pending a thorough understanding of just what is involved I will not make a statement to the house. It is undesirable to make a statement that does not embrace every feature of the present position so far as it is possible to ascertain it.

Mr. STEWART (Edmonton): May I ask whether the Prime Minister expects that statement to be delayed for some time?

Mr. BENNETT: I do not think it should be delayed a very long time, but there are certain legal positions now arising that will necessitate very careful consideration, and the government has instructed that the information be obtained as soon as possible. I suppose the hon. gentleman is under no misapprehension as to what the position was. The debentures, so-called, of the Beauharnois Power Company, are secured by a trust deed, and the security for these debentures is the shares of stock of the Beauharnois Light, Heat & Power Company, and of certain other subsidiaries, and until such time as there is a clear understanding of just what the financial implications of the present default and the appointment of the committee may be, I do not care to make a statement that might be misunderstood.

CANADIAN NATIONAL RAILWAYS

MERCHANDISE CLASS RATES BETWEEN CHURCHILL AND PRAIRIE DESTINATIONS

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I have a question which I wish to direct to the Minister of Railways (Mr. Manion). There was a meeting of the Saskatchewan traffic council at Moose Jaw on March 22, when two resolutions were unanimously passed, one requesting the Minister of Railways to publish, for use between Churchill and prairie destinations, merchandise class rates of eighty-five per cent of the standard prairie mileage freight tariff, the other being a request that the Canadian National Railways publish the same rates forthwith. May I ask the Minister of Railways what action if any he intends to take on these two important resolutions.

Hon. R. J. MANION (Minister of Railways and Canals): These resolutions have been sent to me and also copies of resolutions by various organizations in the western country. For a considerable time now I have been urging the Canadian National Railways to deal with this matter. My hon. friend knows, of course, that we do not make rates in this house, nor does the Minister of Railways; rates are made by the managements of the railways, subject, of course, to consideration by the Board of Railway Commissioners. They are working at them quite assiduously but there are some difficult questions that have to be considered, and it may be some time yet—not long, I trust, because I am urging them to do it at once—before they are able to publish a statement of rates to be put into force. I have been urging them to do this as early as possible, and in fact within the last few days I have taken the matter up again with Sir Henry Thornton and asked him to impress upon his officers the importance of early action. My deputy, also, has been working on my behalf for several weeks on the question, and I hope it will be done in the near future.

Mr. McINTOSH: I thank the minister for his pointed reply.

EMPLOYEES AT TRANSCONA

On the orders of the day:

Mr. J. P. HOWDEN (St. Boniface): I wish to ask the Minister of Railways a question based on a telegram which I have received from the citizens of the town of Transcona, stating that, according to current reports, there will be a twenty per cent layoff of Canadian National employees at that point. I assume it is generally known that Transcona is the site of Canadian National shops. There are between seven and eight hundred employees at that point, and this layoff will be a serious matter. I venture to say that these employees will have to seek relief through the ordinary relief channels if they are laid off at the present time. The question

I wish to ask the Minister of Railways is this: Has he any knowledge of this matter; has the movement by any chance been instituted by the government and, if not, will the government use its best endeavours to see that it is not put into effect?

Hon. R. J. MANION (Minister of Railways): My hon. friend no doubt knows that the government has nothing whatever to do with the taking-on or laying-off of men by the Canadian National Railways; that is an entirely administrative function of the management over which we have no control. I have been carrying around in my pocket for the past few days a telegram which I sent to Winnipeg with reference to the matter. This telegram explains our position. While my hon. friend was putting his question I took the telegram out of my pocket and perhaps it might be well to read it in order to put our position before this house and the country:

Regarding your inquiry as to rumoured lay-off of men in Canadian National shops I assure you this matter has been giving myself and my colleagues grave concern. Conferences have been held with the Canadian National management—

That is, by myself.

—who are by act of parliament in complete control of administration of the railways, including, of course, all dealings with the employees and their unions. The management agreed to keep as many men at work as possible considering the continually decreasing earnings of the railways, and they have been discussing the whole matter for some days in Montreal with the representatives of the men with whom they have agreements.

This was sent some days ago when the conferences were on.

Management assure me that they have cut down the proposed temporary layoff very materially, in fact to absolute minimum because of fact that men agreed to lessened time per week spread out over the employees in the shops. They state that they have kept on the maximum number of men for whom they have any work whatsoever to do. In this regard the management tell me that the representatives of the men's unions insist on seniority prevailing according to their agreements. Management inform me they are putting out complete explanatory statement through press to-day or Monday.

That was on Friday, and on Saturday they did put out a statement. It appeared in the press, but in some papers it was merely a synopsis, while in others it was complete. There came to my office to-day, with reference to this matter, some returned soldiers from Winnipeg, and I directed them to the management at Montreal, whom I requested to give these men an interview and to give their representations every consideration, because I thought they had a good case. This is a matter which is entirely in the hands of the management and not under our control, and while, as Minister of Railways, I have endeavoured to have the management handle the situation as carefully as possible, in view of unemployment conditions, the management ultimately are in a position to do exactly as they see fit.

SUPPLY—UNEMPLOYMENT

AMENDMENT TO MOTION OF MINISTER OF JUSTICE

The house resumed from March 1, consideration of the motion of Mr. Guthrie for committee of supply, and the amendment thereto of Mr. Heenan.

Mr. F. R. MacMILLAN (Saskatoon): When the house rose at eleven o'clock on March 1, I was directing my attention to the motion now before the house. I was explaining to the house how timber permits had been given to a firm in Prince Albert, friends of the right hon. gentleman. I stated that in all some sixty-four permits had been given by the late government to this firm, in each instance the timber being listed as fire-killed. The regulations provide that fire-killed timber pays only 50 per cent of the royalty paid for standing green timber. I was reading into the record certain information which had come to me, and I shall continue with my quotations. I hold in my hand an affidavit made at St. Walburg on March 10, 1931, by Alex. Wilson of Glenbogie, a farmer. It reads as follows:

I am a farmer residing at Glenbogie and have been employed during the past two years in taking out railway ties for Hett & Sibbald Limited, and have personal knowledge of the matters herein deposed to.

That none of the railway ties removed by me for the above mentioned Hett & Sibbald Limited were fire-killed jack pine ties.

That all the said jack pine railway ties were green and were made from green timber.

That all dues charged to me by the said Hett & Sibbald Limited, for all ties made and delivered by me were at the rate of five cents per tie, whether grading number three, number two or number one.

I received the following letter dated March 24, 1931, from Mr. I. N. Cave of St. Walburg. It reads:

Pursuant to your request for information concerning the operations of Hett & Sibbald in the timber areas north of St. Walburg, I am pleased to give the following information:

I am a timber cruiser and tie operator during the past three years and have had con-

siderable experience in cruising timber and estimating the value of standing timber on crown lands. I think I can speak with as much certainty as any man in northern Saskatchewan as to the timbers I have cruised.

The whole township 64, range 25, west of the third meridian has been inspected by me and is green timber. It is unsurveyed and I state positively that the timber is not fire-killed.

And further:

I know and personally inspected the west half and N.E. of 12, W. half and N.E. 13-62-25-W-3. This timber is not fire-killed but on the contrary is good green jack pine suitable for railway ties.

I trust this information is what you require.

I have also a letter from Mr. Fred McKenzie, Dominion land inspector at North Battleford. This letter refers to timber permit number 5068 which comprises some seven and three quarters square miles, and is one of the permits to which I have already referred. The letter reads:

I beg to report having inspected the above lands as to the timber thereon. These areas consist of a scattered cut of fire-killed jack pine and spruce situated on the north side of Pierce lake, Saskatchewan. As over 50 per cent of this timber is fire-killed or will die as a direct result of fire, I would recommend that it be disposed of under section 47 of the timber regulations, before it becomes a loss.

I have another letter from the same gentleman dated North Battleford, March 17, 1930, referring to timber permit 5069 which comprises some six and three-quarters square miles. Mr. McKenzie states that the timber therein was fire-killed, while these other gentlemen state it was not. I desire to continue to read from the evidence from which I was quoting when the house adjourned on March 1. I quote as follows from the examination for discovery by Mr. Reed of Mr. Sibbald, taken at Battleford on February 18:

Q. How is it that Marshall got a contract for ten thousand ties last December?

A. As I said before in the year 1930-31 on account of this unemployment situation they have let all kinds of small contracts.

His Lordship: I understood that was limited to one thousand?

A. The contracts to settlers is limited to a thousand.

Q. Nevertheless why should the Canadian National divert from their policy and take Marshall's contract or anybody else's contract rather than yours?

A. We still have our contract but they have been giving them to a great number of settlers. I think there are thirty contracts in the province of Saskatchewan to-day. This is the first year they have got away from it, and they say it is on account of the unemployment situation. Mr. Merkley, the Minister of Labour, made some arrangements with the Canadian National Railways with a view to relieving the unemployment situation and the matter is in his hands. He I think has a great deal to say about it, and it is under that general policy—

Mr. Reed:

Q. You know Sam Ferrie?

A. Yes.

Q. He had a contract for 50,000 in 1927-28?

A. Yes.

Q. You remember Ernest Atkinson had 50,000 in 1924 or 1925?

A. He may have. As I said before, we have only had control since 1925; several people had contracts until then.

They have had control only since 1925. The evidence continues:

Q. During that time from 1925 until last fall did the Canadian National Railways let any contract in northern Saskatchewan except through you?

A. Not to my knowledge.

Q. What about Sam Ferrie?

A. Sam Ferrie got a contract but when it was brought to their attention it was cancelled immediately. It was brought to the attention of Mr. Dunning and Mr. Ferrie's contract was cancelled.

I understand Mr. Ferrie was the campaign manager for the hon. member for North Battleford (Mr. McIntosh).

Mr. McINTOSH: No, he was not.

Mr. MacMILLAN (Saskatoon): That is the information I have.

Mr. McINTOSH: The hon. member's information is wrong, like a lot of the stuff he is putting out.

Mr. MacMILLAN (Saskatoon): It is very strange that with the great influence of the hon. member for North Battleford, Mr. Ferrie, his campaign manager, could not hold his contract.

Mr. VALLANCE: I think the hon. member should take that back; the hon. member for North Battleford (Mr. McIntosh) denies the statement.

Mr. MacMILLAN (Saskatoon): When the natural resources were turned over to the provincial government of Saskatchewan I understand a royalty of five cents was being paid for these ties, but in the first year since that time I understand the royalty amounts to some eighteen cents. In the fall of 1929 and the spring of 1930 these people received contracts from the railway for 250,000 ties; they delivered 501,000, for which they were paid $380,000. My point is that had the settlers been given the opportunity to supply these ties to the railway they would have been in better condition to-day. Probably a lot of this timber which was rated as fire-killed should not have been rated in that manner.

The people in this part of the country would not be in their present condition had they been able to have had contracts with the railway for the supplying of ties.

Mr. VALLANCE: How is the present government handling it?

Mr. MacMILLAN (Saskatoon): This government has nothing to do with it.

Mr. MANION: The railway bought so many ties before we came into power that none are needed at the present time.

Mr. MacMILLAN (Saskatoon): My hon. friend knows that the control of the natural resources now rests with the provincial government, and they control this business. He also knows that owing to the situation in which the national railways find themselves at present, they will not need any more ties for a long time to come. This is the manner in which our natural resources, the trust that the late government held for the people of Saskatchewan, were administered by them. I was glad to note that the former Minister of Interior, (Mr. Stewart, Edmonton), the other day suggested that some examination or investigation of this matter should be made by the provincial government of Saskatchewan.

Mr. STEWART (Edmonton): Certainly.

Mr. MacMILLAN (Saskatoon): I concur heartily with him in that. It should be done in the interest of peace, order and good government in this country. I have talked to fire rangers in that section, and may I say to the hon. member for North Battleford (Mr. McIntosh)—and this is largely in his constituency—I am told by these men that the bush has been left in a deplorable condition. I am told that trees, sometimes three feet at the stump, would be felled and as the stump was too big for a tie, that big piece of timber was left to rot away. They cut the slash and let it lie where it fell; they did not try to burn it, and thus there is a great fire hazard in that part of my hon. friend's constituency. I thought my hon. friend would be much more concerned than he is about the interests of those he represents.

Mr. STEWART (Edmonton): While I concur in the suggestion for an investigation, if that investigation is held, my hon. friend will not find his statement upheld.

Mr. MacMILLAN (Saskatoon): I can only say to the hon. gentleman that this statement was made to me by men who were in his department when he was minister.

Mr. STEWART (Edmonton): Yes, and I know the employees who made it.

Mr. MacMILLAN (Saskatoon): What are their names?

Mr. STEWART (Edmonton): I shall give them when the time comes. There were two of them.

Mr. MacMILLAN (Saskatoon): The matter can be very easily established as regards permits 5068 and 5069. It is supposed to be fire-killed timber. They are both standing monuments to the mistake that was made by someone because it is green timber.

Mr. STEWART (Edmonton): Is it not true the two individuals he mentioned who had contracts were responsible people? Can the amounts about which my hon. friend is complaining not be recovered from them?

Mr. MacMILLAN (Saskatoon): I am not so much concerned about the contractors; I am concerned about the manner in which the timber was rated as fire-killed when it was not.

Mr. STEWART (Edmonton): That is the very thing my hon. friend can prove by having an investigation so as to have the amount recovered from them.

Mr. MacMILLAN (Saskatoon): Yes, but that is not up to the contractors; it is up to the Minister of the Interior of the late government.

Mr. STEWART (Edmonton): I beg my hon. friend's pardon. I shall have a word or two to say about that.

Mr. MacMILLAN (Saskatoon): That is all I have to say in connection with that matter. Before I sit down I should like to say a word about the riches of that great area of northern Saskatchewan. Last year we sent up from our city to that area some forty-two families who were on the unemployed list. We financed them to some extent, and I am glad to say that forty of the forty-two families will remain in that area, and that they are doing exceptionally well.

Mr. BEAUBIEN: That is because the government has a good member.

Mr. McINTOSH: They have not a railway built there yet.

Mr. MacMILLAN (Saskatoon): Had the railway not been constructed for political reasons and to serve my hon. friend's interests, they might have had it.

Mr. McINTOSH: That is buncombe.

Mr. MacMILLAN (Saskatoon): I want to read the following letter:

Loon Lake, Sask.,
October 1, 1931.

You can see that we are still on the map. Last night was the first time I had to write since being up here as the evenings are getting short—but talk about work! From daylight to dark, and moonlight.

Sure, it is great! When working for oneself it is a pleasure. We have got things comfortable. The cabin, or mansion, is a kitchen, dining-room, sitting-room, combined, with a nice big pantry, also good sized bedroom and clothes closet.

Last week I built an addition to it, 8 x 15, joining the kitchen which I have piled up with wood so the wife don't have to keep running outside every time she needs some. Have also built a chicken house, have nothing to go in it as yet. Cleared about 12 acres of land ready for breaking. Built a rail corral about 500 feet square, also a well. I am starting to get logs out for a pig pen and barn. Of course it will take longer than it should to build the barn, etc., as I have to pack most of the logs on my back, so don't know how I will make out at present, but will never say die. As far as the wife and I are concerned, we say the government will never have this homestead again, as I have no fear it will all turn out all right. We will never starve up here. I shoot an average of two or three partridge, ruffed grouse, chicken and ducks. There are quite a few deer and moose. They come within a hundred yards of the house but I have not anything big enough to knock them down with.

I read that letter just for this reason: in the three cities of Saskatchewan, Regina, Moosejaw and Saskatoon, we have a scheme whereby, with the assistance of the provincial and Dominion governments—and I hope the Dominion government will see its way clear to assist us in this connection—we propose to take these 2,000 unemployed families up to that country which is represented by the leader of the opposition (Mr. Mackenzie King) and the hon. member for North Battleford (Mr. McIntosh). The cities have agreed to contribute $100; the province has agreed to contribute $100 and we are asking the Dominion government to contribute $100 also, making a total of $300 a family so that these people may be put to productive work whereby they can earn their living. I think a scheme of that kind should commend itself to the government, and I hope the government will see their way clear to assist in that respect.

Mr. CAMERON R. McINTOSH (North Battleford): About a month ago, I think it was on March 1, I listened to the harangue of the hon. member for Saskatoon (Mr. MacMillan). I have listened again to-day to his diatribe concerning something about which his knowledge is zero, and I think now that he has exploded and handed to parliament all that is on his chest, it is about time I said something. I should like to add some truth to the falsehoods that have been uttered, because from first to last I do not think the hon. member knows a solitary thing about what he has been talking. Before I go fully into the subject, may I draw the attention of the house to the opening remark of my hon. friend when he said on March 1:

I desire as the representative of a constituency in Saskatchewan—

One would imagine from the attitude of the hon. member since coming into this chamber, instead of being a representative of a Saskatchewan riding, he is more of a delegate for the Tory party. His attitude in the house has from time to time been that of an interrupter, a scowler, a scorner, and insolent interrupter and grunter.

Mr. MacMILLAN (Saskatoon): I rise to a point of order. I think that is unparliamentary language.

Mr. McINTOSH: He is posing as a kind of political uplifter. I would suggest if he intends to do any uplifting, he should commence in his own backyard and in his own party.

Mr. SPEAKER: Did the hon. member refer to another member as a coward?

Mr. McINTOSH: No, I said he was prone to be speechless—a grunter—and so he is.

Mr. SPEAKER: I hardly think that is a proper word to use.

Mr. McINTOSH: Well, it is the best I can choose for the occasion.

Mr. SPEAKER: The hon. member says that he used the word "grunter" in referring to another hon. member. That is unparliamentary and improper, and I ask him to withdraw the word.

Some hon. MEMBERS: Withdraw.

Mr. McINTOSH: Give me time.

Mr. SPEAKER: Do it now. I ask the hon. member to withdraw that word.

Mr. McINTOSH: I am willing to withdraw it, Mr. Speaker, if you will give me the opportunity.

Mr. ROWE: Withdraw. It is not debatable.

Mr. SPEAKER: I ask the hon. member to withdraw the word.

Mr. McINTOSH: If you would give me the opportunity to do so, Mr. Speaker—

Mr. SPEAKER: I ask the hon. member to withdraw the word "grunter" as applied to another hon. member of this house. It is impolite, and unparliamentary.

Mr. McINTOSH: If Mr. Speaker says the word is not parliamentary I quite willingly withdraw it, and I might, as suggested, perhaps say instead that the hon. member is a "squealer."

Mr. SPEAKER: That word is not parliamentary. The hon. member must not use any such rude epithets at all. It does not add to the weight of his argument nor to the dignity of parliament, and I would ask him to desist from the practice.

Mr. McINTOSH: I quite agree, Mr. Speaker, but the hon. gentleman opposite was the first to start it a month ago, and why did not you call him to order?

Mr. SPEAKER: I think the hon. member is incorrect in that. No such epithets were used in my hearing.

Mr. McINTOSH: His insinuations were even worse. He may get away with such insinuations against others, but not as far as I am concerned. The hon. member on the first of March told us how he was representing a Saskatchewan riding. As I said, I thought he was representing the Tory party better than he was representing his own riding. A little further on he said that he thanked the government for the sympathetic manner in which they had come to the assistance of the people in the province of Saskatchewan. Well, Mr. Speaker, I think we can leave it to the people of Saskatchewan to say how the present government has come to their aid. We have to-day the farmers of Saskatchewan on the dole, we have them giving hundreds of promissory notes and liens on their crops and farms which they will not be able to pay off for years hence, and if any hon. member of this house from any part of Saskatchewan can get up and sincerely thank the government for aiding the people in that way, for getting on the people's backs, he is welcome to do it, but I will not be a party to thanking them for any such thing.

A little further on the hon. member spoke about the problem of unemployment. He has spoken of unemployment in his last two addresses, but he will not admit that when his own party came into power there were only a little over one hundred thousand unemployed in this country, but that by October of that same year the number had increased to over two hundred thousand, and the number of unemployed in this country to-day is over five hundred thousand. What did the hon. member say about the problem of unemployment? He now tells parliament and the country that the unemployment problem is an international and dominion problem, but during the election campaign in 1930, he and his party said that it was a national problem and that the Liberals were responsible for the unemployment then prevailing in the country. Now that hon. gentlemen opposite are in power they say that the problem is an international one. Now we have this pigmy wizard coming along, and telling us that it is an international problem and a national problem. This is another new combination to explain the situation.

A little further on in his address the hon. member for Saskatoon (Mr. MacMillan) quoted a letter from W. L. McQuarrie, of the Retail Merchants' Association, to show that the retail merchants were satisfied with the attitude of this government. Well, Mr. Speaker, I think that the speech of the hon. member for Melville (Mr. Motherwell) fully explains the situation in that regard. Speaking in this house not long ago the hon. member for Melville accurately described the conditions in Saskatchewan under the present relief commission. He told us that he lives in municipality 186 where there is one supervisor and nine relief officers in the municipality, and in order to show the political nature of the organization he told us that nine of these officers were Conservatives and one was a Liberal. In other words, the party of my hon. friend opposite came into office and scrapped the organization of the rural municipalities which would have looked after the administration of relief in a non-political way, and they put in its place a straight political machine, and then my hon. friend from Saskatoon has the audacity to come into this house and tell us that relief is being well administered in the province of Saskatchewan. I say that it is not. I say that it is being administered politically, and so long as that is the case anyone who can read between the lines can tell what the results will be—money squandered, farmers on the dole, the giving of promissory notes and liens that will not be paid off for a generation.

A little further on my hon. friend from Saskatoon referred to the constituency of North Battleford and said, "I have listened many a time." I am glad that he is a good listener, because that is all he has been up to the present time. He has certainly not been

much of a speaker and he has refused on more than one occasion to stand up for the rights of the people of Saskatchewan or the people of western Canada. So I am very pleased to know that he is a listener—something at all events. Then, referring to myself, he said that I was greatly concerned about who voted for me in my riding. Well, Mr. Speaker, if there is a member of parliament who does not care who voted for him, I am the man. As long as I get a vote I do not care where it comes from, and the hon. gentleman certainly does not know his man when he talks like that. It does not matter to me whether a vote comes from the country, a village, a town or city—wherever it comes from it is as good as the bank. I am very glad to get it, whatever its legitimate source.

The hon. member went on to say that the vote that I got was not a vote of the urban centres, but was largely a vote of the people in the country back of North Battleford. I have the returns here of the last federal election, giving the figures with respect to my hon. friend's riding and my own, and we will find out exactly how the thing stands. In the North Battleford federal riding there are 170 polls, of which 56 are urban and 114 rural. Of the rural polls the Liberal candidate, that is myself, carried 88, and the Tory candidate, a camouflaged candidate, carried 19—19 out of 114—and the other candidate, a radical, carried 7. Of the polls largely urban in nature the Liberal candidate carried 30, the Conservative candidate 24, and the radical candidate 2. Summing up we find that the Liberal candidate carried 118 out of 170 polls, the underground Conservative candidate, about whom my hon. friend is doing so much blowing, only carried 43 polls, and the other candidate carried 9 polls. There were five polls which had an equal vote between the Liberal candidate and the camouflaged Tory candidate; by that I mean a man who was a Tory and ran as a farmer to capture the agricultural vote. But he did not get the farm vote. The farmers were too wise. Of these 118 polls three were equally divided between the radical candidate and myself. So the Liberal candidate carried 113 polls out and out against the Conservative candidate, and 115 against the third candidate.

The majority over the Conservative candidate was 1,095, if I remember correctly, and the majority over the third candidate was 4,920. In 1925 the majority of your humble servant, Mr. Speaker, was over 1,500 in a three party contest, and in 1926, with a straight Tory in the field and a straight Liberal, my majority was over 3,000. And the majority, with only a Conservative and a Liberal in the field in 1930, would again have been in the thousands.

Now let us go into the riding of my hon. friend from Saskatoon. What do we find? In the Saskatoon federal riding there are 160 polls, of which 47 are rural. Hon. members will notice that the hon. member for Saskatoon (Mr. MacMillan) wanted to lambaste the country people; he wanted to make out that the rural vote was not as good as the urban vote. Here is the reason: Of the 47 rural polls my hon. friend was well licked in 35. Eleven polls he carried, and in one the vote was even. In the rural area of the Saskatoon riding he was beaten by approximately 1,000 votes, beaten by the men and women who had done business with him for fifteen or twenty years in a merchandising way. He was beaten by people who know him better than the city people, beaten by men and women who had been in and out of his store for years and years. That is the standing of my hon. friend in the country part of the Saskatoon federal riding. In the city, by false propaganda, by a deliberate attempt to blame unemployment on the Liberal party, and by playing in a way which was anything but manly he managed to secure a majority. That is the standing of my hon. friend in his own riding—the rural part.

I should like to indicate his position in the city of Saskatoon. When on my way to Ottawa at the latter end of January I happened to go into the Saskatoon union station, and there met a business man. He said, "Well, Mac., are you going down to Ottawa?" I said, "Yes; where is your man? Has he gone?" He said, "It does not matter whether he goes or not; he is better in Saskatoon than he is in Ottawa." Then a little later I dropped into a restaurant and met another business man with whom I discussed the political situation. I said, "What about F. R.; how is he getting along?" He said, "Oh, he is the worst member we ever had." Of course I could not at the time contradict that statement, because I hardly knew whether or not it was true. Later I went into the King George hotel before returning to the station and got into conversation with a third business man concerning the political situation in Canada, and I said, "How is my friend Mr. MacMillan standing in the city of Saskatoon?" He said, "Oh, no good." I said, "What do you mean; you will elect him next time, will you not?" In reply he said, "No, he will not have a chance at all in the next election in Saskatoon." That is his standing

in the city of Saskatoon, and I have defined his position in the rural community by giving the votes cast. I leave it to hon. members to conclude the worth of the hon. member opposite who has been attempting to show that he is a wonderful man from the west. I will leave to the judgment of my hon. friends the position held by the hon. member for Saskatoon.

May I go a little farther. In his speech he said that no company but a certain firm in Prince Albert could get a tie contract, and that that was the only company which had a chance on any permits or any Canadian National railways contracts. I claim Mr. Speaker, that that statement is absolutely false, and I have gathered evidence from the riding to prove that there is not a word of truth in it. For instance, when I became member in 1925 many people in the riding said, "We would like to get contracts for making ties; we can get the wood, we can secure the timber, we can arrange for fire-killed areas, and we think we should have as good an opportunity to make ties in the winter time and make some extra money as any others in the riding, or outside of the riding, so far as that is concerned." I said, "I am with you. As far as I am concerned I think every man in my riding should have a chance to make some of these ties, if he can produce the goods at a competitive rate, and in a manner to satisfy the Canadian National Railways." As a result I wrote the authorities and said, "When your next timber berth is up for sale, when you have more timber limits to put up at auction, I want the notices to be published in every part of the riding of North Battleford." Up to that time the notices had been limited to the larger cities in Saskatoon, North Battleford and Prince Albert. I said, "I want them in every post office in my riding, so that all people may have a square deal, so far as getting a chance at timber limits and making ties are concerned." So that was done, and the result was that men with smaller credit and smaller means came forward and tried to get some of these contracts. One man actually got a contract for 40,000 or 50,000 ties, I am not sure which. He went to Montreal. To prove there is no truth whatsoever in the statement that the Canadian National Railways wanted to give the contracts to one firm and one firm only, Mr. Ferrie went to Montreal in a businesslike way and talked the matter over with officials of the Canadian National Railways. They said, "Why, by all means; if you can make the ties we want, if you can produce them at a competitive rate and if you can deliver the goods we are quite willing to give you a contract." And they gave him a contract.

Now, he had a contract, but he did not have any timber limits from which to make the contract good. So the next timber berth sale was advertised throughout the whole of the North Battleford riding in accordance with my departmental suggestion. An auction sale was held for the first time in North Battleford, and it was held as a result of my request for it. At the auction sale Mr. Ferrie bid. What was the result? He got lost in the bidding, that is all. They bid the timber limits away beyond what he could pay, and the result was that he did not get them. He could not fill the contract, and not only Mr. Ferrie but all other small contractors felt the effects. They had not the money or the bank credit. They may have had experience and ability, but without money and credit they were not able to do anything. I must say the work was let, as usual, to the company with the equipment, the experience, the first class reputation, the credit and the money. That is the situation exactly. Any man who makes a different statement is not telling the truth. Statements which have been made have been made in ignorance of timber limits and operations. As I said, I am having irrefutable evidence brought forward to prove my contention, and at a later time I hope to put it on record.

May I say a word or two respecting Charles F. Marshall. Well do I know Charles F. Marshall. Here was a man who held a position under the crown as postmaster at Spruce Lake. From the return I have before me I understand he got the position in 1923. I was not at that time a member, and was not responsible for making him postmaster; I am glad I was not. On June 6, 1927, he resigned. What did he do? He decided to move from Spruce Lake back to the land of the stars and stripes, from whence he came. What did he do to get back? He had not much money or much credit. He secured the services of an assistant for the period of a month, and at the end of that time he sold the post office building, the lot and the post office to the assistant, I understand, away beyond their proper values and then skedaddled to the United States. That is the man whom I often befriended and who later came back and became one of the Tory ward politicians in North Battleford federal riding. His affidavit does not mean anything; if he took a hundred of them, people would not believe him. That is the

situation so far as Mr. Marshall is concerned. I claim he took money under false pretences when he did what he did. He is still working for the Tory party in Saskatchewan, and giving affidavits to my hon. friend from Saskatoon who apparently is badly in need of them.

Then, we have another man here—another Marshall. They are not brothers, but they might as well be, so far as that is concerned. This other Marshall of business profits tax delinquency reputation makes an affidavit in which he tells about certain timber limits. I want to say that for this man Marshall to take an affidavit against Sibbald who had frequently protected him was one of the most dastardly tricks ever done by any man.

What are the facts? They are that this man, who was a painter, had to get out of North Battleford. He went north, and is still there. He went into the store business; time and again he was almost bankrupt, owing his wholesalers and other people large sums of money, and if it had not been for the contracts he got from Hett and Sibbald he would have been driven to the wall financially. Yet, after being saved from the financial gallows through tie contract after tie contract, that man comes forward and, in order to build up Tory propaganda in Saskatchewan, maliciously gives an affidavit which is said by those who know the facts to be a complete falsehood from the first line to the last. I should like to support what was said by my hon. friend from West Edmonton (Mr. Stewart); I should like to see this tie question in Saskatchewan investigated to the hilt. Further I would say that my hon. friend can get an investigation started immediately by getting in touch with the provincial government, which now owns the resources in Saskatchewan. Let him bring on this investigation; let him find out the men who are straight and the men who are crooked, and he will find that all the crooks if any are on his side of the political fence. This man Marshall has been doing work for the present government, and Hett and Sibbald have done work for this government and the provincial government with regard to unemployment relief. As I understand it, there was no publicity; there was no competition. The contracts were handed over holus bolus, without regard for the public interest. That is the situation under the present order of things.

I should like to refer to the stand taken by the hon. member for Saskatoon (Mr. MacMillan) in 1930. The hon. member compared the urban and rural votes in the riding of North Battleford. When the election campaign was on in 1930, according to a statement of Doctor A. MacGillivray Young of Saskatoon, my hon. friend's opponent, as reported in the Leader-Post, Regina, July 17, 1930, the hon. gentleman did his level best to secure the Mennonite vote in the riding of Saskatoon. He and his political machine promised grants to the Mennonite schools and hinted that land under the control of the province would be parcelled out to the Mennonites if they would break away from their former political faith with the Liberal party and support the Conservatives. My hon. friend was supported by the provincial government; both did their best to get the Mennonites to change their vote. In one case, in the Gruenthal school, the provincial government promised a special grant of $1,000 for the salary of the teacher and $500 for school equipment for a second room of the same school in another building, while in another case they promised free school seats. In other words they were out to buy those votes; they were also trying to besmirch the Liberal party in the eyes of the Mennonites.

Mr. MacMILLAN (Saskatoon): On a point of order, Mr. Speaker, I would say that the statement the hon. gentleman is now making is entirely without foundation.

THE ROYAL ASSENT

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, His Honour, the deputy of His Excellency the Governor General, desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, the house went up to the Senate,

And having returned,

Mr. SPEAKER informed the house that the deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An Act respecting the boundary between the provinces of Alberta and British Columbia.

An Act to authorize an agreement between His Majesty the King and the Corporation of the City of Ottawa.

An Act to amend the Criminal Code (summary trials).

An Act to amend the Criminal Code (conveyance of prohibited articles).

An Act relating to the submission to parliament of certain regulations and orders in council.

An Act to amend the Admiralty Act.

An Act to amend the Marriage and Divorce Act.

An Act respecting the Canadian National Railways and to authorize additional provision of moneys to meet expenditures made and indebtedness incurred during the calendar year, 1931.

An Act to amend the Criminal Code (cheques without funds and grand juries).

An Act respecting Unemployment and Farm Relief.

An Act for granting to His Majesty certain sums of money for the public service of the financial year ending 31st March, 1932.

SUPPLY—UNEMPLOYMENT

AMENDMENT TO MOTION OF MINISTER OF JUSTICE

The house resumed consideration of the motion of Mr. Guthrie for committee of supply, and the amendment thereto of Mr. Heenan.

Mr. McINTOSH: When the Senate interrupted my address—and I do not know what I ever did to the Senate to have them do that to me—I was dealing with the attempts which were being made by my hon. friend from Saskatoon (Mr. MacMillan), hand in hand with the Tory organization of the province of Saskatchewan, to break up the Mennonite vote for the Liberal party in the Saskatoon riding.

Mr. MacMILLAN (Saskatoon): The hon gentleman implies that I used any ability I had in order to get the provincial government to use provincial funds to manipulate Mennonite votes in my constituency. I had nothing whatever to do with the Mennonite vote, so far as schools are concerned. That statement is entirely false.

Mr. SPEAKER: That is a matter of controversy between the hon. members.

Mr. McINTOSH: The truth will come out. I did not say that the provincial government used public funds. I said that special grants were made to certain Mennonite school districts. These grants were for teachers' salaries and for school equipment, and in one case free desks were promised a certain school district. We have it on the word of the municipal secretary, C. R. Lane, of Warman, that this was not a municipal question and that the secretary attended a certain meeting at Warman but was there only for informative purposes. It was absolutely an attempt to influence the Mennonite vote to support my hon. friend on July 28 in the city of Saskatoon. No question about it.

Let me go further. My friend went out of his way to make it appear that the Liberal party had insulted the Mennonites. He was becoming a friend of the Mennonites, a sort of knight-gown friend of the Mennonites all at once, and his only solicitude for the Mennonites was their vote. Consequently he got out a poster, accusing Dr. Young and the Liberals of insulting his dear little Mennonites. What was the result? The Mennonites who were said to have been thus treated drew up a petition in the Osler school district. There were 148 who signed that petition to the effect that the tactics of my hon. friend and of the organization that helped to elect him were antagonistic to their ideals and absolutely contrary to their conception of citizenship. More than that, may I say that the provincial government made an attempt to defend their actions in regard to supporting my hon. friend by saying that they were dealing municipally with this question, that it was not simply a problem of giving school grants to get the Mennonite vote. That, however, is absolutely repudiated by the evidence of the secretary of Warman municipality. He said that he did not attend that meeting as municipal secretary, and that at the meeting mentioned these questions were not municipal but had reference to school matters and school matters only. Let me read what is stated by Mr. Boldt, who signed the petition with 147 others in Osler. This is what he has to say with reference to my hon. friend's tactics:

> On the other hand, we resent bitterly the tactics used by F. R. MacMillan in his efforts to secure votes.

He knew what the hon. gentleman and his party were doing. Let me show with what success the hon. member met in his attempt to split the Mennonite vote for his dear little Conservative party. In one poll in Osler he was defeated by 65 to 42 votes. That shows his standing in that poll. In another poll in Osler, he was defeated by 55 to 44. At Miller, he was defeated by 106 to 22; at Peters, he was defeated by 104 to 19; at Mennon, he was defeated by 114 to 18; at Hepburn, he was defeated by 168 to 44; at Smithburg, he was defeated by 75 to 23; at Hochcfeld, he was defeated by 110 to 14; at Hague, he was defeated by 54 to 45; and at Ademuka, he was defeated by 73 to 22. At Gruenthal, the hon. gentleman had the very slight majority of 4, the votes being 48 in his favour and 44 in favour of his opponent. In this poll, where a dastardly attempt was made to break up the Mennonite vote by school grant pressure, that was the meagre majority he received. Had not that attempt been made, he would have been beaten overwhelmingly in that poll as in the others.

Now there is the story. That shows what success the hon. gentleman met with notwithstanding that he and his organization did their very best to break up the vote in favour of the Tory party. But the people there were not the fools they were in Saskatoon; they saw what the hon. gentleman was trying to do and they voted accordingly.

The man who made these inspections in the North Battleford federal riding was a Mr. McKenzie. Mr. McKenzie was a follower of the party of my hon. friend—a Conservative. But I'm told he is not any more. He has had his fill. He has made all the timber inspections since 1923 in the North Battleford federal riding and my hon. friend is being placed before the house and the country in this position: he is stating that one of his own timber inspectors does not know how to inspect timber; that he inspected it falsely and did this in order to see that one firm got the business and that the Canadian National Railways and the Department of the Interior were not playing absolutely fair with the farmers in the riding who could handle this work. That is what it means. Personally I am loath to accept one of these wild statements.

Before I close I desire to put on Hansard a letter received from Hett & Sibbald, Limited. It reads:

142 Bloor Street West,
Toronto, March 5, 1932.

The Right Hon. W. L. Mackenzie King, C.M.G.,
Leader of the Opposition,
Ottawa.

Dear Sir:

The writer's attention has been drawn to certain statements made by Mr. MacMillan, M.P. for Saskatoon, in the House of Commons on the 1st of March this year.

It would appear that Mr. MacMillan aimed to cast a slur upon the name of the firm of Hett & Sibbald, Limited, and as his inferences differ so much from the actual truth, we wish to put before you, sir, as member for Prince Albert, some facts bearing on Mr. MacMillan's criticisms.

Referring, I presume, to our firm, as our name is definitely mentioned in certain letters he read, Mr. MacMillan says: " . . . and it is a strange thing that no one but this particular firm could obtain a permit to cut timber in northern Saskatchewan;" he follows with: "it is also a strange thing that apparently no one but this particular firm could obtain a contract from the Canadian National Railways for the supplying of railway ties."

Fire-killed timber berths, Mr. MacMillan stresses on, are put up at public auction after being advertised, and the person bidding the highest cash bonus is awarded the permit, he may then manufacture what the timber is suited for at a fixed rate of dues, and let me state here that we do not hold and never have held a fire-killed timber berth that we have not purchased in the proper way at a public auction sale. Anybody could bid these in, and I will give you a list of a few that our firm did not get—by looking up our records we could give you many more, but these will probably suffice for the present—these are the registration numbers, and anybody who cares to take the trouble can get full details of same: 3870, 3917, 4221, 4487, 4802, 4811, 4462, 4629, 4665, 4481.

We have supplied ties for steam railways, street railways, factories, etc., and we are not ashamed to admit it because it is through building up a business within the last twelve years on strict and sound business principles that we believe has won for us the confidence of those who require ties. We wish to appear anything but boastful in this connection, but wish to be quite frank and think you will appreciate this.

It is most important to make sure a company or individual will get exactly the ties they require, and by the date they require them,—otherwise you fail.

You know parties who have had contracts in Saskatchewan from the railway company; some of them through inexperience or lack of finances have fallen down completely. In connection with three of these cases the parties never delivered one tie, two of them came to us; we were able to finance them, watch their operations, and they had work for the winter.

Regarding fire-killed timber: These are designated according to section 47 of the timber regulations by timber inspectors who must be real timber men as they have to judge whether or not trees are going to die as a result of being fire swept. We know cases in both Saskatchewan and British Columbia where we have operated where the timber appeared from the outside to be perfectly sound, but on cutting or boring trees was found to be worthless, and had to be abandoned. It had been left too long after a ground fire.

Mr. MacMillan read several letters or documents.

The writer knows only one of the parties who wrote a letter. This is J. H. Marshall of St. Walburg, Saskatchewan. This man was a painter and is now a store keeper, but it is the first time we had any idea he was a timber expert, that he can say how long it will probably take a tree to die after being fire swept. Another letter was read from one William Mattila. This man says we told him we had a permit on certain timber, and that he was to cut it, and then he found we hadn't such permit. The fact is unless a clearance is got from the department saying government dues have been paid in full, the purchaser of the ties will not pay for them—and no clearance could be got in the above case. This is a rigid rule and always has to be carried out, so you can readily see how absurd Mattila's statement is.

The writer is sorry he has not his office data with him, otherwise could go more fully into the subject, but as far as this letter goes, any facts stated are absolutely true.

We hope the substance matter of this letter will be put before Mr. MacMillan, as it is not fair that the impressions he has tried to establish in connection with our firm should stand.

Yours very truly,
Hett & Sibbald, Ltd.,
S. Hett, President.

I do not think it is necessary for me to say anything more except to remind the hon. member for Saskatoon that we have some

fine timber areas in North Battleford while in his riding he has not sufficient to make one third-class tie. If he knows as little about timber as he has demonstrated this afternoon, I doubt if there is sufficient timber in his own makeup to make even one cull tie. Further, may I say that the next time the hon. member encounters a dust or silt storm down in Saskatoon we cordially invite him to come up north where there are many fresh water lakes. We will endeavour to cleanse him thoroughly before he returns.

The heart of the hon. member seems to be bleeding for the settlers north of St. Walburg, but if he wants to help them the best thing he can do is to go to the Minister of Railways (Mr. Manion) and to the Prime Minister (Mr. Bennett) and try to obtain for these poor settlers who are trying to carve out a living on the frontier the railroad which they have been promised. South of the Beaver river forty-four miles of roadbed is prepared and ready for steel, but no effort has been made to give these people the railroad which it was promised would be finished by 1932. From present indications, not a mile of steel will be laid this year. Beyond the Beaver river, twenty-five miles is graded and ready for the steel but still no attempt is being made to complete this railroad. The result will be that these settlers for years to come will be without the railway facilities promised to them by the Liberal government. Had that government been returned to power, these people would certainly have received the railway consideration to which they are justly entitled.

Hon. CHARLES STEWART (West Edmonton): Mr. Speaker, I have nothing to add to the affidavits submitted and the allegations made by the hon. member for Saskatoon (Mr. MacMillan) except to say that had these affidavits been handed to me when I was acting as Minister of the Interior, I would have ordered an immediate investigation. That would not have been the first time an investigation of this character was conducted in the department. These files are now in the possession of the Saskatchewan government and it would be an easy matter for that government to investigate the charges made by my hon. friend. I would suggest that he get in touch with the provincial government and request an immediate investigation. Mr. Smart who was in charge of the office at Prince Albert is now the superintendent of a national park in Manitoba; all the other officers concerned are somewhere in the vicinity of these alleged transactions, and there should be no difficulty in carrying out an investigation. The report of the ties purchased by the Canadian National Railways is available and will disclose whether they were burned or green timber. The hon. member for North Battleford (Mr. McIntosh) has indicated that the contractors mentioned in the statement are responsible people and if any mishandling has occurred, recovery could be made.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, before the motion is submitted to the house, I have one or two observations to make. According to the terms of the resolution, the problem of unemployment is one of the most important with which parliament has to deal; but during the debate this afternoon we have listened to speeches which have really nothing to do with this serious matter. Apparently the question in the way it has been discussed for some time, has been boiled down to one affecting a particular locality, either in eastern Canada or in Saskatchewan or in some other part of the dominion. Unfortunately unemployment is not local but national and can be dealt with only in a national way.

I should like to say first of all that I have every sympathy with the last part of the resolution. I am very anxious to see the government take immediate action and state its policy in regard to this question. I also realize that from the time this motion first came before the house, quite a number of things have happened and a different slant has been given to the subject. I see by the papers to-day that within the next few days a conference between the federal and provincial governments will be called to discuss how unemployment is to be dealt with, and therefore I prefer to leave my remarks to a subsequent occasion when I shall be able to discuss that aspect of the matter more intelligently.

My main purpose in rising to-day is that I do not desire to see this question of unemployment discussed in the party spirit in which it has been debated during the past few weeks. I am always afraid, when the party spirit begins to manifest itself, as it often does in the house, that unemployment may be lost sight of altogether and when it comes to a question of what the Liberal party did here or the Conservative party did there, we forget entirely about the large number of people who happen to be out of work. The amendment as set forth by the hon. member for Kenora-Rainy River (Mr. Heenan) takes up almost a whole page of Hansard, and more

than nine-tenths of it deals with something that has been threshed out in the house time and time again. This is a form of politics with which we in our group have no sympathy. We would far sooner have the question discussed entirely on its merits. If the amendment had been confined to the latter part, asking the government to submit to the house its program of dealing with this great question, there would be no doubt as to what we of the labour group and the other members in this corner of the house would do. But when we find coupled with this resolution all these "whereases" as to what was said by the Prime Minister in about fifteen different parts of the dominion, it is time this kind of politics was cut out entirely from our proceedings and we got down to the really fundamental questions before us. Therefore, as a protest against this form of resolution, we have decided to abstain from voting on this question.

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

YEAS

Messrs:

Ahearn,
Beaubien,
Blair,
Bothwell,
Bouchard,
Chevrier,
Donnelly,
Fournier,
Goulet,
Hanson (Skeena),
Heenan,
Howden,
Ilsley,
King, Mackenzie,
Lapointe,
Mackenzie (Vancouver Centre),
MacLean,
McIntosh,
McKenzie (Assiniboia),
Motherwell,
Munn,
Totzke,
Urquhart,
Veniot,
Weir (Macdonald),
Young.—26.

NAYS

Messrs:

Anderson (Toronto-High Park),
Arthurs,
Barber,
Beaubier,
Belec,
Bennett,
Beynon,
Bowen,
Bowman,
Bury,
Charters,
Cormier,
Cowan (Port Arthur-Thunder Bay),
Dickie,
Duguay,
Embury,
Ernst,
Esling,
Ganong,
Garland (Carleton),
Gobeil,
Gordon,
Guthrie,
Hanson (York-Sunbury),
Hay,
Johnstone,
Jones,
Kennedy (Winnipeg South Centre),
MacDonald (Cape Breton South),
Macdonald (Kings),
MacMillan (Saskatoon),
MacNicol,
McLure,
Maloney,
Manion,
Mullins,
Myers,
Neill,
Perley (Qu'Appelle),
Pettit,
Pickel,
Plunkett,
Price,
Quinn,
Rogers,
Ryckman,
Shaver,
Short,
Smith (Victoria-Carleton),
Spankie,
Stanley,
Stewart (Leeds),
Stewart (Lethbridge),
Stirling,
Stitt (Nelson),
Stitt (Selkirk),
Sutherland,
Swanston,
Thompson (Simcoe East),
Thompson (Lanark),
Weir (Melfort).—61.

PAIRS

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

Messrs:

Anderson (Halton),
Arsenault,
Baker,
Barrette,
Bell (Hamilton),
Bell (St. Antoine),
Bell (St. John-Albert),
Black (Halifax),
Burns,
Cahan,
Cantley,
Casselman,
Chaplin,
Cotnam,
Cowan (Long Lake),
Dorion,
Dupré,
Duranleau,
Edwards,
Fortin,
Fraser (Cariboo),
Gagnon,
Geary,
Gott,
Hackett,
Harris,
Laflèche,
LaRue,
Laurin,
Lawson,
Lennox,
McDougall,
MacLaren,
McDade,
McGibbon,
McGillis,
Matthews,
Morand,
Murphy,
Nicholson,
Perley, Sir George,
Rhodes,
Robinson,
Ross,
Rowe,
Ryerson,
Sauvé,
Senn,
Simpson (Algoma),
Smith (Cumberland),
Smoke,
Spence,
Spotton,
Stevens,
Stinson,
Factor,
Thauvette,
Bertrand,
Rhéaume,
Mercier (St. Henri),
Raymond,
Dubois,
Dubuc,
Butcher,
Rinfret,
Cardin,
Howard,
Malcolm,
Hurtubise,
Hanbury,
Verville,
Ferland,
Boucher,
Elliott,
Fafard,
McMillan (Huron),
Boulanger,
Mercier (Laurier-Outremant),
Rutherford,
Perras,
Jacobs,
Girouard,
Denis,
Fontaine,
Gray,
Pouliot,
Reid,
Fiset,
Dupuis,
Power,
Deslauriers,
Moore (Ontario),
Parent,
Stewart (Edmonton),
Bradette,
Marcil,
Ralston,
Desrochers,
Roberge,
Lacroix,
Taylor,
Séguin,
Sanderson,
Casgrain,
Duff,
Cayley,
Fraser (Northumberland),
Hepburn,
Euler,
Hall,

Sullivan,	Brasset,
Tummon,	St-Père,
Turnbull,	McPhee,
White (London),	Gershaw,
White (Mount Royal),	Dumaine,
Willis,	Brown,
Wilson,	Vallance.

Mr. MacLAREN: I was paired with the hon. member for Rimouski (Sir Eugène Fiset). Had I voted I would have voted against the amendment.

Mr. LENNOX: I was paired with the hon. member for Témiscouata (Mr. Pouliot). Had I voted I would have voted against the amendment.

Mr. FAFARD: I was paired with the hon. member for Levis (Mr. Fortin). Had I voted I would have voted for the amendment.

Mr. SMITH (Cumberland): I was paired with the hon. member for Antigonish-Guysborough (Mr. Duff). Had I voted I would have voted against the amendment.

Mr. EDWARDS: I was paired with the hon. member for West Middlesex (Mr. Elliott). Had I voted I would have voted against the amendment.

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

Mr. ANDERSON (Halton): I was paired with the hon. member for Toronto West Centre (Mr. Factor). Had I voted I would have voted against the amendment.

Mr. ROBINSON: I was paired with the hon. member for Portneuf (Mr. Desrochers). Had I voted I would voted against the amendment.

Mr. FRASER (Cariboo): I was paired with the hon. member for South Huron (Mr. McMillan). Had I voted I would have voted against the amendment.

Mr. BERTRAND: I was paired with the hon. member for Toronto Northeast (Mr. Baker). Had I voted I would have voted for the amendment.

Mr. NICHOLSON: I was paired with the hon. member for North Timiskaming (Mr. Bradette). Had I voted I would have voted against the amendment.

Mr. GAGNON: I was paired with the hon. member for Bellechasse (Mr. Boulanger). Had I voted I would have voted against the amendment.

Mr. SENN: I was paired with the hon. member for South Perth (Mr. Sanderson). Had I voted I would have voted against the amendment.

Mr. BRASSET: I was paired with the hon. member for St. Ann (Mr. Sullivan). Had I voted I would have voted for the amendment.

Mr. PERRAS: I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted I would have voted for the amendment.

Mr. McDADE: I was paired with the hon. member for Laprairie-Napierville (Mr. Dupuis). Had I voted I would have voted against the amendment.

Mr. ARSENAULT: I was paired with the hon. member for Vaudreuil-Soulanges (Mr. Thauvette). Had I voted I would have voted against the amendment.

Main motion agreed to.

SUPPLY

DEPARTMENT OF AGRICULTURE

The house in committee of supply, Mr. Hanson (York-Sunbury) in the chair.

International Institute of Agriculture, $10,000.

Some hon. MEMBERS: Explain.

Hon. ROBERT WEIR (Minister of Agriculture): Grants are made by very many countries to the International Institute of Agriculture, to be used for the purpose of setting up machinery for the gathering of facts and statistics relating to agriculture for dissemination amongst the countries which are members of the institute.

Mr. DONNELLY: What is the explanation of the reduction? Has the contribution by other countries been reduced?

Mr. WEIR: I could not say at the moment, but this reduction will not in any way interfere with the obligations that we have undertaken. I understand that we shall receive not quite so many publications.

Mr. SPENCER: Who were the Canadian delegates to the convention in Europe last year?

Mr. WEIR (Melfort): I understand that there was no official delegate sent from this country, but that we were represented by Mr. French of the Imperial government.

Item agreed to.

DEPARTMENT OF NATIONAL REVENUE

Salaries, $956,772; contingencies, $50,000.

Mr. CHEVRIER: A few evenings ago when items in the Departments of Public Works and Trade and Commerce were under consideration we were led to understand that the items for salaries would not be touched until the bill had been passed.

Mr. MACKENZIE KING: That is right.

Mr. RHODES: Mr. Chairman, to learn whether or not my hon. friend has stated the understanding correctly, I would have to verify his statement by an examination of Hansard. I understood the items would not be considered until the bill was brought down.

Mr. MACKENZIE KING: No, no.

Mr. RHODES: Of course I am subject to correction.

Mr. LAPOINTE: Take another item.

Mr. RYCKMAN: Mr. Chairman, there are only two items to deal with, so far as the Department of National Revenue is concerned.

Mr. MACKENZIE KING: The items for that department have been called; that serves my hon. friend's purpose.

Mr. RYCKMAN: If that is all the house desires, I am content.

DEPARTMENT OF EXTERNAL AFFAIRS

Publications of League of Nations for distribution to members of parliament and a grant to the League of Nations Society in Canada, $3,000.

Mr. BENNETT: There is no change in this item, nor has there been for some time. In connection with the various other items on page 55 of the estimates there may be some discussion. This however seems to be the one item in connection with which there will be no controversy. It deals with publications, and is for an amount similar to that asked last year.

Item agreed to.

DEPARTMENT OF FISHERIES

Building fishways and clearing rivers, $18,900.

Mr. BENNETT: This seems to be a non-contentious item.

Mr. ILSLEY: Is there not a change in the regulations concerning the fishways which have to be constructed? I have heard some protest in this connection in the province of Nova Scotia.

[Mr. R. Weir.]

Mr. RHODES: The query raised by my hon. friend from Hants-Kings arises out of some suggested changes in the law which are contained in the provisions of an amendment to the statute to be brought in this year, and which are now under consideration of the fisheries committee.

Mr. ILSLEY: If there are any contentious features in the changes, where may they be discussed?

Mr. RHODES: There may be discussion before the fisheries committee, and on the second reading and committee stages of the bill.

Mr. BRADETTE: Does northern Ontario come under the item for clearing rivers?

Mr. RHODES: The fisheries of Ontario are within control of the province.

Mr. BRADETTE: I understand the federal authorities are taking care of some of the rivers in northern Ontario.

Mr. RHODES: In the Hudson bay area that may possibly be true, but as my hon. friend knows the fisheries of Ontario are under the control of the province.

Item agreed to.

Amount required to pay compassionate allowance to John Davidson, formerly lightkeeper at Cape Mudge, B.C., $500.

Mr. BENNETT: This is an allowance voted every year for this gentleman, who is still surviving.

Item agreed to.

POST OFFICE DEPARTMENT

Mr. BENNETT: The Postmaster General is not in his seat, but if we could take one item we might expedite business. I am content with any item which would be acceptable to the committee.

Mr. LAPOINTE: I suppose the Postmaster General is busy in connection with the Montreal elections, too?

Mr. BENNETT: I have some reason to believe that is true of many hon. members.

The CHAIRMAN (Mr. Hanson, York-Sunbury): What item shall we consider?

Mr. BENNETT: Any item which is non-contentious, commencing at page 61.

Post Office—outside service, $31,451,100.

Mr. BENNETT: We might just consider this item and go on. I would not be prepared to deal with it in any event, so we might leave the consideration of the item until a later date.

Item stands.

Mr. BENNETT: Having provided that the house may go into committee with respect to the several departments I mentioned on Friday I propose now that we should deal with second readings of some government measures. Later, if the house is in a position to do so, the different ministers will go on with supply, taking up Justice and National Revenue. Agriculture, of course, is highly contentious, and we will leave that for the moment.

Mr. MACKENZIE KING: National Revenue is mainly salaries.

Mr. BENNETT: I did not intend to touch the civil government salaries. I assume the house will desire to be informed about a number of employees in connection with the preventive service, and matters of that kind, and that is why I mentioned that item. The acting Minister of Fisheries is not here to go on with his estimates, but the Minister of Finance, who is very familiar with the work of the Department of Fisheries, will assist in those items.

Progress reported.

DESTRUCTIVE INSECT AND PEST ACT

Hon. ROBERT WEIR (Minister of Agriculture) moved that the house go into committee to consider Bill No. 18, to amend the Destructive Insect and Pest Act.

Motion agreed to and the house went into committee, Mr. Hanson (York-Sunbury) in the chair.

Section 1 agreed to.

On section 2—Scope of regulations.

Mr. BROWN: Were any amendments made in committee?

The CHAIRMAN (Mr. Hanson, York-Sunbury): No, there were none.

Section agreed to.

Sections 3 and 4 agreed to.

Bill reported, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

GUARANTEE OF SECURITIES TO MEET EXPENDITURES AND INDEBTEDNESS IN 1931

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee to consider the following proposed resolution:

That the governor in council may authorize the guarantee of securities of the Canadian National Railway Company to an aggregate principal amount at any one time outstanding of $11,372,498.86, to meet expenditures made and indebtedness incurred during the calendar year 1931 (where amounts available from net operating income or investments may be insufficient), by or on behalf of the Canadian National Railways or any company controlled by or any company comprised in the Canadian National Railways, or in respect of Canadian Government railways entrusted to the Canadian National Railway Company.

Motion agreed to and the house went into committee, Mr. Hanson (York-Sunbury) in the chair.

Mr. RHODES: This measure is to provide the money with which to pay the debt incurred by the bill which has already passed this house, authorizing the Canadian National Railways to borrow this sum of money.

Resolution reported, read the second time and concurred in. Mr. Rhodes thereupon moved for leave to introduce Bill No. 40, to authorize the guarantee by His Majesty of securities to be issued under the Canadian National Railways Financing Act, 1931, No. 2.

Motion agreed to and bill read the first time.

PETROLEUM AND NAPHTHA INSPECTION

The house resumed from Tuesday, March 1, consideration in committee of Bill No. 20, to amend the Petroleum and Naphtha Inspection Act.—Mr. Ryckman—Mr. Hanson (York-Sunbury) in the chair.

On section 1—Tests of petroleum.

Mr. YOUNG: The last time the bill was before the house we asked the minister for particulars as to the effect of the amendment on the quality of kerosene which would be sold for illuminating purposes. Perhaps he can give that information to-day.

Mr. RYCKMAN: Inquiry has been made by the Department of National Revenue and also by the petroleum engineer of the Department of the Interior, and I am assured that the oil is of a quality quite as safe and as good as that produced in other fields. It is only a question of specific gravity. The specific gravity of the oil found in this dis-

trict is heavier, and, as stated before, it has been necessary to import gasoline to mix with it in order to reduce the specific gravity. I am assured that in every other respect what is asked for will result in as safe and as good an illuminating oil as can be found elsewhere. There can be no objection to this being done in the interests of those who have this heavier specific gravity oil. Since the matter was before the committee in the middle of February last there has been no adverse comment of any kind with respect to this bill.

Mr. DONNELLY: When the bill was last under consideration I asked whether some definite temperature should not be mentioned in subsection (b), which reads:

If it weighs more than eight pounds and four-tenths of a pound per gallon.

As I pointed out on that occasion, there should be some stipulation of a definite temperature of so many degrees fahrenheit. I believe that sixty degrees is the temperature generally taken for gasoline; I do not know what temperature is intended here. If the oil is very warm, a gallon will weigh much less than it will if the oil is cold. There should be some temperature specified in the section. Is there any temperature in the old section?

Mr. RYCKMAN: It is certified by Dr. Tingle, chief of the laboratory in connection with the customs and excise branches, and by Mr. Madgwick, petroleum engineer, that the flash point has nothing to do with the value of the illuminating power; and the same statement has been made with regard to the specific gravity. I cannot see that the point raised by my hon. friend relates directly to the matter. This is an amendment of a rather lengthy statute which defines the fire test and the flash test, and so far as my knowledge goes, so far as I have been able to get any information in the department, we are not particularly concerned with the heat test. We are assured of the safety of the oil and that, of course, is the first consideration; we are assured also of its illuminating power, and that also is desirable. When that is seen to, will my hon. friend tell me what relation the heat test has to it?

Mr. DONNELLY: I am not asking for a heat test. I readily understand what the minister means by the flash test; it is to show that there is no danger. But does not the minister see that a gallon of coal oil which is very cold will weigh much more than a gallon of coal oil or gasoline which is correspondingly warm? Take it at 200 and it will be all vapour and will weigh little or nothing, whereas if you get it down to freezing point it will be quite heavy. The oil weights so much at a certain temperature, and if that provision with respect to temperature is not in the act, it should be there. Subsection (b) provides for oil that weighs more than eight pounds and four-tenths per gallon, and if we do not provide the temperature at which the oil shall be of that weight then this means nothing at all. I can put it down to freezing point and it will weigh nearly nine pounds; and if I put it up to boiling point it will weigh practically nothing. I repeat, the temperature should be specified in the act.

Mr. RYCKMAN: Probably the hon. gentleman's criticism is answered by the old act, chapter 159 of the revised statutes of 1927, section 10 of which reads:

Except as herein otherwise provided, petroleum shall not be sold or offered for sale for use in Canada, for illuminating purposes: (a) if, when tested by the pyrometer described in the schedule to this act, at a lower temperature than eighty-five degrees by Fahrenheit's thermometer, it emits vapour that will flash.

Mr. DONNELLY: But that provision has reference to the element of danger.

Mr. RYCKMAN: With regard to sale, this condition (a) must be complied with. Subsection (b) reads:

If it weighs more than eight pounds and seventeen-hundredths of a pound per gallon.

In the bill now before the committee that weight is changed to eight and four-tenths pounds. Subsection (c) reads:

If it weighs less than seven pounds and seventy-five hundredths of a pound per gallon.

The oil may be sold if these conditions are complied with. That has been the law heretofore, and the point raised by my hon. friend is covered by subsection (a), which is not altered.

Mr. BROWN: I do not suppose we can do anything but accept the assurance of the minister that this oil will be equal in all respects to the standard that now obtains. But this oil will be used not only for illuminating purposes, because kerosene is now used largely for motive purposes in tractor engines. We know that the higher the specific gravity, the more difficult it is for the oil to volatilize, and that is my point. This is used for motive purposes, and the fact that there has been no adverse comment from the public means nothing, because the consumers of the country are not organized so as to make representations in a matter of this sort; only through experience can they find out the quality of the oil. It is only when summer

comes and this oil is used in tractor engines that we shall be able to decide whether for this purpose it is equal to the oil that is now in use.

Mr. DONNELLY: What the minister has read with regard to the pyrometer test, which is eighty-five degrees fahrenheit, is correct; but my contention is that subsection (a) does not apply to subsection (b). A temperature is fixed in (a) but in (b) there is no mention of any temperature. Unless it is provided what the temperature shall be, this provision with respect to weight means nothing at all. I venture to say that if the minister will take this matter to the officials of his department they will advise him that it means nothing unless the temperature is specified, because as I have pointed out, at a temperature of two hundred and twelve you will have nothing but gas, and a gallon of gas will weigh very little, whereas if you reduce it to zero it will weigh nine or ten pounds. There must be some stipulation with regard to the temperature; the officials will so inform the minister, I am sure.

Mr. RYCKMAN: I have asked the officials and they say that this does not influence the matter at all. The point is this. Section 10 of the act lays down three conditions that shall be complied with before petroleum may be sold for use in Canada, and in one of these conditions only, namely, subsection (b), is any change being made, the purpose being to alter the seventeen-hundredths to four-tenths. Otherwise the law as it existed before must be complied with. As I have said, I have received assurances that this amendment will be distinctly in the interests of certain sections of the country and that it will hurt no one.

Mr. DONNELLY: I contend that if temperature was not mentioned in the old act, it should have been. This amendment means nothing unless temperature is mentioned. I do not say that the change is wrong, but something should be said as to the temperature which shall prevail when a gallon of gasoline or petroleum is to be weighed.

Mr. RYCKMAN: I ask hon. members to look at section 10 of the act, where it will be seen that nothing else is required. Perhaps it might be of interest to the committee to hear a letter addressed to Mr. Taylor, commissioner of excise, by Alfred Tingle, chief, customs-excise chemical laboratory. This letter is dated July 3, 1931, and reads:

In reply to your letter of June 27 having further reference to the request of the Regal Petroleum Company, Limited, of Calgary, I beg to report the result of a further talk with Mr. T. G. Madgwick, Department of the Interior.

I should evidently first explain that until lately Mr. Madgwick was departmentally subordinate to Mr. C. C. Ross, but handled all matters concerning petroleum which were referred to Mr. Ross's branch. In any case Mr. Ross cannot be consulted as he has lately been superannuated on the abolition of his position in the service.

Mr. Madgwick and I are both of opinion:

1. That the illuminating properties of the oil under discussion are not likely to be very different from any other oil of the present high test class.

2. That neither flash point nor specific gravity have any necessary connection with illuminating power.

3. That the act makes no attempt to protect purchasers against the sale to them of oils inferior in illuminating powers, but only endeavours to protect against fire hazard.

4. As we consider that lowering the flash test to 135 degrees F. does not materially increase the fire hazard, we feel that the purposes of the act would be still carried out.

Mr. YOUNG: Section one reads:

(b) if it weighs more than eight pounds and four-tenths of a pound per gallon.

If a dealer had a substance which he wanted to sell as kerosene but which did not comply with this condition, he could perhaps make it comply by changing the temperature.

Mr. RYCKMAN: He could have done that before.

Mr. DONNELLY: Every company selling gasoline puts out a chart which gives the weight of their gasoline at certain temperatures, 60 degrees being taken as the average. However, we all know that as the temperature rises the weight decreases and as it lowers, the weight increases. The same thing must be true of petroleum, and I contend that the temperature should be mentioned in the bill.

Mr. RYCKMAN: I am anxious to meet any reasonable demand made by any hon. member and, therefore, I move that the committee rise, report progress and ask leave to sit again.

Section stands.

Progress reported.

JUDGES ACT AMENDMENT

AUDITING OF ACCOUNTS FOR TRAVELLING ALLOWANCES

Hon. HUGH GUTHRIE (Minister of Justice) moved the second reading of Bill No. 9, to amend the Judges Act.

Mr. LAPOINTE: May we have an explanation of this legislation?

Mr. GUTHRIE: I intended to make the necessary explanations in committee.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Hanson (York-Sunbury) in the chair.

Mr. GUTHRIE: This bill is drawn with the idea of improving the method of auditing judges' accounts for travelling expenses. A good deal of difficulty has been experienced in the past because of the various methods of accounting adopted in the different provinces, and it is hoped to change the present variegated system into a regular one and make easier the auditing of these accounts. At the time the bill was drawn, proper attention was not paid to section 1 as it affects the province of Quebec. In some respects the judicial system in that province is unlike the system in the other provinces, and a special clause is necessary to apply to Quebec. Prior to 1920 the judges in Quebec were designated to several areas as provided by the provincial laws; in 1920 a change was adopted abolishing to a large extent the old system. I understand in the district of Montreal there are twenty-one superior court judges; in the district of Quebec there are ten.

Mr. LAPOINTE: That is apart from the chief justice?

Mr. GUTHRIE: In the district of Sherbrooke, two, and in the district of Three Rivers, two. All courts are held in these four districts, the former districts having been abolished. This system does not prevail in the other provinces and since this bill was drafted it has been brought to my attention by some judges and certain prominent members of the bar in the province of Quebec that this section does not adequately meet the situation prevailing in the province. It has been sugested that certain amendments should be made to bring this act into harmony with the present system. The bill proposes, in respect to the province of Quebec, to amend paragraph (b) of subsection one of section 21. This, however, would not be a suitable amendment. The section requiring amendment is section 21. But subsection 6 of section 21 is the subsection which applies exclusively to Quebec, and in it are words which are not appropriate to the present situation in that province. It provides that:

In the province of Quebec no travelling allowances shall be granted to any judge requested to sit in review,—

Since that provision was made the court of review has been abolished and there is no necessity any longer for those words.

—or attending any court,—

[Mr. Guthrie.]

Then the following words should also be deleted:

—except within the limits of the district to which he is assigned.

The old districts have been abolished. The only judicial districts in Quebec are the four I have mentioned. It has therefore been suggested that all we require is an amendment first to strike out the words "requested to sit in review," and then to strike out "except within the limits of the district to which he is assigned."

And I propose to have that amendment made. That, I am told, will be satisfactory to the bench and the bar and also to the officials of the department who audit the accounts. Under that system the chief justice of the province or of the district in which the judge resides, shall have the certification of the accounts for travelling expenses from the respective jurisdictions.

Mr. LAPOINTE: Will the minister kindly read the section as it will read with the amendment he proposes?

Mr. GUTHRIE: The present section in the bill will be struck out and the following substituted therefor:

1. Subsection 6 of section 21 of chapter 105 of the revised statutes of Canada is hereby amended by striking out the words "requested to sit in review or" in the second line of the said subsection, and also by striking out the words "except within the limits of the district to which he is assigned" in the third and fourth lines of the said subsection.

Mr. LAPOINTE: But unless we have the statute before us, we cannot very well understand what this means.

Mr. GUTHRIE: The subsection, if amended, will read as follows:

6. In the province of Quebec no travelling allowances shall be granted to any judge attending any court held at any other place than that at which he resides, unless it is certified by the chief justice, or the judge performing the duties of chief justice in the district where the court is held, that the attendance was in his opinion necessary.

Mr. LAPOINTE: That is satisfactory.

Mr. GUTHRIE: Section 2 of the bill is directed to the other provinces of the dominion. At the present time judges who are called from their own districts to perform judicial services in other districts, render their bills to the Department of Justice, but there is in that department no proper method of verifying those accounts and year by year the amount of travelling expenses is gradually increasing. Judges are in the habit of interchanging work, as one may say, by going from one county to another or from one district to

another, and sometimes without any very reasonable excuse for the transfer. The present system has grown up over a long period of years and I do not know that anyone is particularly to blame for it, but at the present time it involves a heavy expenditure in judges' travelling expenses and allowances which we think could be very well reduced. All that this bill proposes is that accounts for travelling expenses shall not be paid unless the particular judge has been requested by the attorney general of his province to hold court in some county other than his own. If the attorney general has so requested him, that, we think, will be a sufficient check on what one might describe as somewhat unnecessary travelling expenses which are incurred by judges in various provinces. My right hon. friend the Prime Minister has suggested a question that some day will have to be decided, that is, whether the Dominion of Canada should pay any part of the travelling expenses of judges. We are called upon by the British North America Act to pay to judges their salaries and allowances, not expenses. It is argued that if it had been the intention of the framers of that act to compel the dominion treasury to pay those expenses, that would have been stated in the section. Apart from judges' salaries, we do not pay the provinces for the administration of justice; we do not pay for the upkeep of the court-houses or gaols or the salaries of clerks of the courts or anything of that kind. Why should we pay the travelling expenses of judges in connection with the administration of justice, which is a provincial matter? This bill, however, does not deal with that question. I know many lawyers who have been in the Department of Justice have from time to time expressed the opinion that some day the question will have to be settled; they do not think these expenses should be paid out of the federal treasury. The word "allowances" is used in the British North America Act, but it is pointed out that the word "allowances" means retiring allowances and matters of that kind which the dominion treasury has always paid, but does not include travelling expenses.

Mr. LAPOINTE: I do not want to express any opinion as to the last part of my hon. friend's remarks. I must say that I was strongly opposed to clause one of the bill as it stood, but I have not the same objection to the substituted amendment. I think this will meet all the conditions as they exist.

Mr. POULIOT: I wish to express my thanks to the Minister of Justice for having had something to do with leave being given to a judge who was absolutely too old to sit on the bench. I remember distinctly that one day that judge while on the bench said he noticed that he was losing his memory, but he was on the bench for two years after that. Now he has been granted six months' leave. I am sorry the minister did not go further and see to it that he resign, because his work has to be done by other judges who have to do more than their share. As the minister knows, we have the rotation system in the province of Quebec, and it works very well. I might say that I have heard from a reliable source that this judge expects to come back to the bench after the expiration of his leave. If such were the case, there would be a strong protest from all the people in the districts in which he might sit. In fact he was a refugee from the bench in Quebec city. No lawyer who has practised in the Quebec courts will deny that every lawyer who has a case coming before this judge tries to evade him.

The CHAIRMAN (Mr. Hanson, York-Sunbury): The hon. member can hardly make those remarks on this bill. They are not relevant to the bill, and I think they are against the rules of the house.

Mr. POULIOT: Pardon me, Mr. Chairman, but I think I can show that they are relevant. It is only those judges who sat in Montreal or Quebec before the provincial law of 1920 was passed who are immovable. The judges who have been appointed since 1920 have to make a circuit of the different districts, and as they go around the different districts they send in their expense bills. I submit that that makes my remarks relevant to the bill. Outside of his judgments I have great respect personally for this particular judge. May I add that the judges generally are doing very well under the rotation system, with this one exception. I am sure the minister will continue his excellent work by stopping any attempt to have this judge come back to the bench. I repeat that I have a great respect for him outside of his judgments.

Mr. RHODES: I move the amendment, Mr. Chairman, which has been suggested by the Minister of Justice.

Amendment agreed to.

Section as amended agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

THE PUBLIC SERVICE

PROPOSED DEDUCTION OF TEN PER CENT IN INDEMNITIES AND SALARIES

Hon. E. N. RHODES (Minister of Finance) moved the second reading of Bill No. 19, to provide for the reduction of compensation in the public service.

He said: Mr. Speaker, the principle underlying this bill was discussed so fully when the resolution upon which it is founded was under consideration that I do not think at this stage I can add anything to what I said on that occasion. I am content therefore merely to move the second reading and to reserve to myself an opportunity to discuss in detail in committee any questions which may arise.

Mr. E. R. E. CHEVRIER (Ottawa): Mr. Speaker, the bill now before the house is to provide for the reduction of compensation in the public service. On the introduction of the resolution I gave a number of reasons why, in my mind, the measure should not pass. When the resolution was introduced I expressed the hope that the bill to follow, which would be founded upon the resolution, might contain some alterations. I am sorry to say, however, that that is not so, that the bill is framed in the same terms as the resolution. I am sorely disappointed, and must quote the words of Virgil, una salus victis nullam sperare salutem—that to the vanquished there is but one hope of salvation, to hope for no salvation.

On second thought I am not very much surprised that the bill is as radical as was the resolution. After witnessing what has happened in this house during the past two weeks, after seeing a demonstration of the theory that might is right, I can expect nothing more than a bill in the terms of the one now before us. I say this bill is economically unsound because it purports to produce revenue through a reduction in purchasing power. It is economically unsound because it purports to create economy in one sphere, namely, in the national budget, by reducing the purchasing power of 65,000 civil servants throughout the country, and by reducing that same power in a large number of other portions of the population. It is economically unsound because it strikes at the very root of contractual obligations between master and servant. On a former occasion, however, I went extensively into that phase of the matter. It is economically unsound because it is of an extraordinary nature and should not have been resorted to until all other means had failed. It is equivalent to a measure of taxation, and hits hardest those least able to bear the burden; in other words, all will have to pay at the same rate. The father supporting a wife and family will pay the same as a married man with no family. The widow with dependent children will pay the same as the civil servant who, with no dependents, lives in security and comfort. The son or daughter supporting a widowed mother or invalid father will pay the same as other sons or daughters living at ease. At page 59 of Hansard the Prime Minister is reported as follows:

> —and desiring that the people of this country should understand fully that the government is anxious to lead the way with respect to matters of economy.

Sir, he has said the government is anxious to lead the way in matters of economy. There is no great skill in the announcement of the policy we are now discussing. Anyone can effect economy in his business by cutting the wages of his employees. The real test of the skilled administrator is to devise and put into effect such policies as will be beneficial to business interests, will produce increased profit, will put more money into circulation, increase employment and thereby increase revenues and extend trade. The Prime Minister went about his task in the wrong way. His policies have killed our trade. Decreased trade and decreased revenues have increased unemployment. Now the right hon. gentleman proceeds to cure unemployment by creating more unemployment.

The statement has been made that the very best antidote for poison is an extra dose of the same poison. I am told, however, that great skill is required in the administration of such remedies, and I submit the right hon. gentleman has showed himself to be a very poor medical practitioner in the administration of medicines or remedies to cure our national ills. Then, we understand the reduction in salaries is made for the purpose of enabling the Prime Minister to balance his budget. He may balance it in the way of dollars and cents, but he is not taking into account the physical difficulties he is creating. He is not taking into account the mental and moral anguish which will follow in the wake of this legislation. He may balance his budget in dollars and cents, but he cannot balance the national budget when the individuals composing the nation are without work and are starving. People must be contented both morally and financially. There can be no balancing of a budget unless the

individuals in the country enjoy a perfect state of happiness and contentment. There can be no balancing of a budget at a cost of starvation and privation due to reduced wages and lack of work.

The government has been sorely remiss in its duty when it has attempted to effect a balance at these costs. If a way cannot be blasted into the markets of the world the Prime Minister will blast his way into the pockets of the civil servants. Unable to blast his way into the markets of the world the Prime Minister will now blast open the doors of, and blast his way into the homes of the civil servants. No easier method could have been found than simply to tell his Minister of Finance to do a little juggling with the decimal point. In connection with the $93,000,000 paid to the civil servants he would simply move the decimal point a few places to the right and receive the benefit of the accrued revenue. Civil servants throughout Canada are being asked to contribute their share of the payment of the national debt. Are the people at the head of our large institutions doing the same thing? If the E. B. Eddy Company cut the salaries and wages of their employees, will they take that money and bring it to the Minister of Finance to lay beside the moneys collected through deductions from civil servants' salaries to be applied towards the satisfaction of the national debt?

Not only that, but we know the example set by the government will be followed throughout the country. Following the lead given by the Prime Minister, other employers of labour will make cuts. The money saved through wages cut in the ordinary course of business will not be added as special revenues to help pay the national debt. The few millions which would be collected in that way would be but a drop in the bucket as compared with the hundreds of millions of dollars of national debt. I cannot appreciate the idea behind the horizontal cut, that if, due to the depression, some people must suffer, those who are more fortunate should also suffer. In other words, I cannot understand why, if I should be suffering, I should insist that my neighbour suffer also, even though that suffering might alleviate my own. Certainly there is no warrant for my asking someone else to suffer while that suffering will not help me at all. I fail to realize the force of the argument that because the farmers are having a hard time, or because the financial situation is a difficult one, the civil service throughout Canada should also feel the pinch. I should think the spirit of solidarity should prevail and that we should rejoice in the fact that during this period of depression the hard times are not felt by the entire population of Canada.

I say that these reductions in salary and these cuts in the personnel of the civil service strike at the very foundation of civil service institutions. Some day, when it is too late, the effects of this policy will be seen. I have not time to deal with each of the topics on which I had intended to speak, but I do want to point out that it is most imperative that the civil service of Canada should be maintained at its present high standing. I have no less authority for that statement than the report of the Beatty commission, which at page 9 contains the following words:

> The formal distinction between the legislative and executive branches of government, between parliament on the one hand and the cabinet controlling administration on the other, obscures but it does not alter the fact that efficient parliamentary government is only possible when the decisions embodied in statutory form are made effective throughout the dominion by a body of trained administrators and experts.

Further down the page I find the following:

> The problems of government are becoming ever more complex; the effectiveness of government action must be limited, to a substantial extent, by the quality of the civil service, which is called upon to investigate many subjects of national importance demanding consideration by the government, as well as to make governmental policies effective and governmental decisions operative; and we believe that no more important task confronts those in charge of the country's affairs, than that of improving, and continuing to improve, by every means at their disposal, the quality of the civil service of Canada.

—not to wreck it at every opportunity. Then on page 10 the report states:

> Throughout our inquiries we have been impressed by the character of the work now done in the civil service of Canada. In accord with the highest traditions to be found elsewhere, its own tradition demands the faithful performance of his duties by the individual, though the results of the work done, however important they may be, do not accrue directly to him, either in the form of wealth, or, as a rule, in the form of public recognition.

The quotation is most interesting, but it is rather lengthy. Then on page 11 I find the following:

> It is essential to the continued welfare of the country that the civil service be enabled continuously to recruit workers with a proper scientific equipment for their tasks, and to retain them in the face of the high rewards offered for work of the same character elsewhere.

Here is a most interesting extract from page 13:

. . . . in the past the civil service has been successful in enlisting and retaining men of first rate ability, despite the relatively moderate remuneration. We do not feel the same assurance, however, that it will continue successfully to recruit or hold such men in the future, unless conditions of employment and prospects of advancement in the service can be simplified and improved considerably.

Then they talk about those three factors so dear to the heart of the Prime Minister, security of tenure, superannuation and holidays and sick leave. I quote from page 14:

These three conditions serve, very properly, to assist in relieving the civil servant of anxieties with regard to his own future and that of his dependents; and so set him free, without such distractions, to concentrate upon his duties. But while they do constitute advantages, when compared with the conditions ordinarily prevailing in private employment, such advantages are not those which as a rule appeal most strongly to men of an energetic, creative temperament, among whom the leaders in the service, no less than the directing heads of private enterprises, must be sought. For the sake of the country, no less than of the service itself, it is necessary that conditions of employment should offer a permanent positive attraction to men of this type.

The very fabric, sir, of the civil service throughout Canada is being jeopardized forever by these continual dismissals, made in hit and miss fashion, and by these unwarranted, unjust, unfair and inequitable deductions. I say, sir, that the service is not in a position to bear this reduction. No one earning a moderate salary, such as the majority of civil servants earn, is in a position to stand this cut. A return was brought down recently which shows that 42.5 per cent of the permanent civil service of Canada earn up to $1,500 yearly, while 79.5 per cent of civil servants earn less than $2,000 a year. Those figures should be kept in mind.

When I spoke previously on this question the Minister of Finance said in reply that the only equitable way was to have a horizontal cut. Let me give a concrete illustration. In this house we as members are cut ten per cent; my $400 will lie next to the Prime Minister's $1,900, but that is done by virtue of an arbitrary rule. If a graded cut were made whereby the Prime Minister and myself paid according to our respective means, my $400 would not be $400, and the Prime Minister's $1,900 would not be $1,900! It is true that on the other hand the Prime Minister will pay a tax on his income, but I will have to pay an income tax of my own, so in that respect we are equal, because the income tax is based upon the capacity to pay. This ten per cent reduction, however, is an arbitrary rule disregarding the capacity to earn or to pay.

To follow that example through let us consider the civil servant who earns $3,600 a year. He is not yet at his maximum; this year he is entitled to a statutory increase of $120, but what will happen? First he will suffer a loss of $360, or ten per cent of his salary; in addition he will be deprived of his annual increase of $120, amounting to another three per cent, and in addition five per cent of his salary is deducted for superannuation, which would amount to $190. Therefore this civil servant will be mulcted to the extent of $670. It is true that his contribution to the superannuation fund ultimately will come back to him, but for the time being he suffers a deduction of 18 per cent, and in addition he will have to pay income tax on whatever is left of the $3,600 after the deductions are allowed. Right away that civil servant suffers a deduction of 18 per cent, while hon. members of this house suffer a loss of ten per cent.

I am further opposed to the passage of this legislation, because, as I say, it prejudicially affects the interests of this constituency, and I have no apology to offer for taking up the cudgels on behalf of the very large proportion of civil servants who live in the city of Ottawa, any more than I have anything to say against anyone who takes the part of any particular class in his community whose privileges and rights do not in any way conflict with the general wellbeing of that community. In this city the ordinary citizens have certain rights and privileges, and the civil servants, as a particular class, have particular rights and privileges, and as such they have the right to be taken into account. Therefore, I make no apology for taking up the cudgels, as I do, on behalf of that class, just as I would do on behalf of any other special class constituting a minority but with special rights, provided that those rights did not clash in any way with the rights and general interests of the community at large. Ottawa has a population of 130,000 inhabitants. On the 31st of March 1931 there were 11,766 employees of the civil service residing in Ottawa, of whom 8,009 were permanents and 3,757 were temporaries. The civil servants' pay-roll for that year in Ottawa was $19,134,162; it is now, in round figures, $20,000,000, because of statutory increases granted last year but not granted this year. Now, ten per cent of $20,000,000 is $2,000,000, and the statutory increases cut off this year amount to about $500,000. Therefore Ottawa

will be deprived this year of the sum of $2,500,000. Bad as that is, it might be tolerated with great difficulty, with great misery and anguish. But we know that in trade a dollar is worth three dollars in turnover; so that during the coming year Ottawa will suffer a loss, not of $2,500,000 but of $7,500,0000. Now what does that mean? It means absolute catastrophe financially for the city of Ottawa It means that $2,500,000 is to be taken from the earning capacity of 12,000 people in a population of 130,000. Can hon. gentlemen realize what that means? Do they realize what it means to have $2,500,000 levied upon 12,000 people living in a community of 130,000? It means that every man, woman and child, every head in the city of Ottawa will suffer a tax of $19, and every civil servant in the city will be taxed to the extent of $209.

The Prime Minister stated, as reported at page 562 of Hansard:

> There will accrue to the revenues approximately $8,300,000.

He will therefore obtain $2,500,000 from Ottawa, leaving $6,000,000 to be derived from sources outsides this city. That $6,000,000 will be levied on 62,000 employees, less the 12,000 in Ottawa, or on 50,000 employees distributed among a population of 10,000,000. This means that every one of the civil servants outside Ottawa will contribute on an average $120; but the population outside Ottawa will feel it to the extent of 60 cents per head, as compared with $19 in this city.

Of course, it will be pointed out that if all the civil servants resided in Ottawa, Ottawa alone would have to bear the burden. That is perfectly true; but is that any reason why this city should be made to suffer in the way I have indicated? If the Prime Minister and his government had had in mind an equitable measure they would have seen to it that this cut would be, not horizontal but graded, in order to alleviate the blow that has been struck at this community. Up to March 2 there were in Ottawa, according to the records of the city hall, 6,286 registered unemployed. But that does not take into consideration all those that do not register. It does not take into consideration the 169 who have been let out of the air force; it does not take into consideration the 82 artisans who have been let out of the Public Works the first of this month it does not take into consideration the 313 Department of the Interior employees who have not been reabsorbed into the service; it does not take into consideration the 150 other employees let out in this happy-go-lucky, hit or miss fashion; and it does not take into consideration those who will be let out within the next few months.

This, sir, is a situation that is very far from being reassuring. The Prime Minister stated, as reported at page 561 of Hansard:

> The Canadian Pacific Railway Company a year ago instituted such economies; the Canadian National Railways last year instituted economies in that direction; and further economies have been effected by the findings of boards in connection with the running trades. Recently a board was sitting in Montreal when its duties were suddenly ended by an agreement being arrived at whereby a ten per cent reduction was accepted by the clerical staffs of the railways, the question then being under consideration by a conciliation board.

That is true, and with that I have not much quarrel. But why did not the Prime Minister listen to the representations that were being made by the civil service organizations, or which they were trying to make? Why did he not listen when they came to him that morning? I am not so sure he did not tell them that they ought to consider themselves lucky that they did not suffer a more severe cut. I am not so sure he did not tell them that they ought to "give until it hurts." The Prime Minister was right in using the language I have just quoted with reference to the Canadian Pacific Railway. But let me point out that the quotation includes the findings of boards. A board was sitting, an agreement was arrived at, and the reduction was accepted. There was a conciliation board, but the Prime Minister never granted a board of conciliation—

Mr. BENNETT: May I correct the hon. gentleman? A ten per cent reduction was made in all clerical staffs of the Canadian Pacific Railway without a board or anything else. The hon. gentleman is talking about the running trades.

Mr. CHEVRIER: I am quite prepared to accept the word of the right hon. gentleman, but this is what he said:

> The Canadian Pacific Railway Company a year ago instituted such economies; the Canadian National Railways last year instituted economies in that direction; and further economies have been effected by the findings of boards in connection with the running trades.

That is perfectly true. I have taken this verbatim from Hansard, and if the right hon. gentleman has been misreported, I am prepared to take his word.

Mr. BENNETT: The hon. gentleman has not followed me. In the hotels of the Canadian National and the Canadian Pacific and in

all clerical forces, reductions were made by the company as employers without regard to any other consideration than the desire to effect economy. With respect to the running trades, with which they had an agreement, they had an arbitration under the provisions of the act in that regard.

Mr. CHEVRIER: That is correct as regards the running trades; they had an agreement and there were boards. But if they had no agreement with the clerical staffs, then my remarks apply to them also; and I say that the right hon. gentleman should have listened to the representations made on behalf of the civil servants, just as the Canadian National Railways and the Canadian Pacific Railway should have taken their employees into consideration in an endeavour to arrive at some human understanding whereby the reduction might have been graded. Because the Canadian Pacific Railway or the Canadian National Railways did not do it right in one connection, although they did in another, is no excuse for the right hon. gentleman to think that he is at liberty to take the wrong course in every direction.

The right hon. gentleman is reported on page 561 of Hansard as having said that the cost of living to-day is about 14·4 per cent lower than it was in 1926. I am not concerned with what the cost of living was in 1926, I am concerned only with the cost to-day. I had intended to go into the different phases of the economic feature of this question, but this has been done quite fully by the hon. member for Bow River (Mr. Garland). The Labour Gazette of February, 1932, shows the cost of living for December, 1931, as $17.76, and for the end of January, 1932, as $17.59, a difference of less than one per cent. Rent has not come down, fuel and light have not come down, the cost of food has come down very little, insurance rates on life and fire have not come down nor have telephone rates. The right hon. gentleman has had telephones taken out of the Supreme Court building, the Daly building, and other departments. There will be fewer telephones in use and the rates certainly will not decrease. The cost of electric light and gas has not come down; interest on mortgages has not come down; school fees have not come down; the rates of instalment payments have not come down; practically all contractual obligations have not come down. In this connection I shall quote from the Beatty report as follows:

> So rapid an increase in numbers, followed by so rapid a decrease, inevitably interferes with the smoothness of operation of the departments, and is a factor tending to reduce efficiency, at the same time that it causes innumerable problems of organization and classification, which cannot always be dealt with as rapidly as they arise.

And again:

> The cost of living, which had already risen considerably from year to year since the beginning of the century, rose even more rapidly during the war years. In 1920, when the maximum was reached, foodstuffs were more than twice as expensive as they had been in 1913. The cost of living generally was 90 per cent higher than in 1913. Meantime, there had been no corresponding increase in civil service salaries. From 1913 to 1920, the average increase in civil service salaries was about 43 per cent, less than half as much as the rise in the cost of living. Since the salaries of the great majority of civil servants only sufficed, before the great rise in the cost of living, to keep them and their families in moderate comfort, it is easily seen that this failure of the average increase in salaries to keep pace with the rise in the cost of living involved a real hardship, during this period, for a considerable number of civil servants, for whom relief could only take the form either of resignation in order to accept better paid employment outside the service, or of a general revision of salaries which should have regard to the actual increase in the cost of living which had occurred.

These words should have been taken into account by those who have had to deal with matters of this kind. I continue:

> Since the cost of living bonus had been calculated in relation to the needs of men with families, and had nothing to do with the merits of the services rendered by them, it of course acted as a levelling influence, reducing considerably the range between minimum and maximum salaries, and so narrowing the prospect of advancement in the service.

And in referring to the work performed at the present time by the service, the report says:

> It is safe to say that the tasks discharged by the civil service at the present time are very much greater and more complex than they were in 1913; and these tasks have been undertaken by a service which is organized along the same lines as before the war, and with essentially the same structure. It is a tribute to the service as it now stands, that its structure has stood the strain so well.

The repeated blows it has received has sapped the foundation of this great institution. We hear a lot about the permanence and security of employment in the service, but in this regard I should like to quote from the Civil Service Review of December, 1931. The following is an article by a press correspondent:

> Of course there is always the security argument. On more than one occasion, and under more than one administration when accompanying civil service delegations as representative of the press I have heard "high authorities" apply that blessed word "security" as a sort of salve or earwash against the sound claims of the service for long overdue salary revision.

The security of employment in the civil service cannot be valued or fixed by means of orders in council passed under peace, order and good government. The article continues:

But now even this security, like other well known securities, is not so secure as it used to be—witness what happened (and is still happening) in the Interior department.

And again:

Despite the facts of the case, however, the service has always been, and doubtless always will be, a favourite cockshy for such as are unable to find better sport or more useful employment; and of course, it is in the trough of periodic depression that the brickbats fly thickest and fastest. Just an old Spanish custom but frankly, as a newspaper man, I am at times unpleasantly surprised to find unwarranted and illogical attacks on the service in the columns of journals that might be expected to maintain a higher standard of editorial criticism.

I think these words could be applied to the words of hon. members on that side of the house, to which I hope to have an opportunity of referring on another occasion. The article continues:

With this in mind I would suggest that civil service organizations and well-wishers of the service generally should lose no opportunity to keep the press and the public better informed concerning the efficiency of the service and the value and importance of the work that is being done by civil servants in the interests of the people of Canada.

I come now to what I consider to be the gem in the speech of the Prime Minister. When the right hon. gentleman introduced the resolution upon which this bill is founded, he stated that he did so because the Minister of Finance was ill and regretted that he did not have an opportunity of preparing himself adequately for the occasion. I wonder what would have happened had the right hon. gentleman prepared himself a little more adequately? He is generally very careful in the selection of his examples or citations, and I was surprised at his quoting the authority which he did. He quoted a letter which he had received from a lady, and I shall read it again. It is as follows:

It is now, and has long been, a cause of deep thankfulness that I have a salary to be cut, and that in these times of stress, when burdens are so great, not only in Canada but throughout the British Empire, whose honours and greatness we share and enjoy, that we can share and share gladly in the pinching. Ten per cent of my salary now seems but a small premium to pay for the security and comfort enjoyed by me in my years in the service. Since we have enjoyed the good years, shall we not also have the lean?

The right hon. gentleman read one letter. To even up I shall read a second one. Then if he wants to even up by reading another, I shall read a third. Let me say that at this game I shall trump every ace he plays, and he may play with a deck of aces so far as that is concerned. The first letter I wish to read is as follows:

Is it possible that Mr. Bennett is going to cut the salaries of those who have hardly enough to live? I am a widow with three children, all of them going to school yet. I earn $900 a year. I pay $20 a month rent. I have managed to live with $55 a month but I have deprived myself of every pleasure; not even a picture show for years, but I was glad to do it. I managed to get an insurance policy to protect my dear little ones if anything happens to me. $7.50 less per month means years of sacrifices and privations for nothing, as I will be unable to continue to pay the premium. It would be different if I was alone, but there are the children. Can you do anything to stop this and see that justice is done?

You might as well stand on the beach and command the sea to stay where is it as try to stop this! This is somewhat different from the "pinched" lady who lived in security and comfort! But in order to have the Prime Minister even up with me, I shall read another letter:

As you are one of our representatives I suppose I have the right to write to you. I was interested to see the letter from the nice lady civil servant who was glad to be "pinched" to please the Prime Minister and save the country. I wonder if she gets the same kind of a pinch as I do? I am the wife of a letter carrier; my husband reached his maximum $1,500 per year this year past. He had to walk many thousands of miles through all kinds of weather in order to get to that high salary. Now they are going to take $150 off. We have four children all of school age; our present monthly salary cheque, after $6.25 for superannuation and $7.40 for insurance are deducted, is $111.35. Our rent is $25 and I do not think the Prime Minister will care to live in our house. Food for six of us costs $60. Heat and light comes to another $10; we can't afford a telephone. That leaves $16.25 for clothes, doctors' bills, recreation and all other expenses.

The Prime Minister and the Minister of Labour need not listen to this; their monthly expenses do not amount to this:

Now, comes the cut of $12.50 per month. How can the Prime Minister expect my husband and me to enthuse! There are lots more in the same position as we are, thousands of us. Maybe I am not as patriotic as the nice lady, but my husband knows something about sacrifices for his country. He served for three years in the trenches in France. He risked his life then, like so many others and would do it again, but just the same the Prime Minister's horizontal idea of British fair play is not the kind that I was taught.

Would it not be more Christian and fair all around if some of the millionaires—like the

Prime Minister—and many other Canadian wealthy men would give up some of their many luxuries before making us give up our bare necessities?

The Prime Minister also said that he as well as all the other members of his cabinet had received similar letters from many civil servants, stating that they desired to make contributions in this time of stress. When this matter was under discussion before, the hon. member for South Perth (Mr. Sanderson) was speaking. At that time there were only a few ministers of the crown in their seats. The hon. member for South Perth asked the Minister of National Revenue (Mr. Ryckman) how many letters he had received, and he replied: "None came to my department." The Minister of Railways (Mr. Manion) said the same thing. Those were the only two ministers who were present on that occasion. I wonder if the right hon. gentleman, after having put on the street hundreds of employees of the Interior department, a large number of temporary employees, nearly 200 employees of the Department of National Defence and eighty-five employees of the Department of Public Works, after reducing the salaries of 12,000 civil servants in Ottawa; does not feel like opening the doors of his apartments and hearing what these workers of yesterday, the unemployed of to-day, have to say, rather than fall into rapturous ecstasy over the writings of a "pinched" lady. I wish just to paraphrase those famous words that have oft been quoted in this house. "Let him open his door to the destitute widows, to the despairing fathers, to the imploring mothers, to the starving children. Let him for one day take contact with those who suffer. Let him take contact for one day with human misery! Then, were but one fibre of humanity left in the right hon. gentleman, he could not but put an end to this orgy of dismissals and of salary reductions." I think the words of the Latin poet are appropriate at this time:

Quos Jupiter vult perdere, dementat prius!

The Prime Minister came to Ottawa in July, 1930. He came to deliver what might be called the most important pronouncement of the Liberal-Conservative campaign in the political centre of Canada, the capital city. He came here for a distinct purpose: certainly it was not for the purpose of helping the Liberal cause throughout Canada: it was not for the purpose of helping the two Liberal candidates in this city. Throughout the campaign he had been most lavish in his promises, but when he came to Ottawa there was no use in offering bridges, because we have all the bridges we need. There was no use offering free ports, because the Georgian Bay canal has not been built. He came to the city of Ottawa, the heart of the civil service of Canada, and so he talked of the civil service. This is what he is reported as having said, amongst others things:

Here dwell those who administer the departments of state. Here the major part of government is transacted. I have had a brief experience as a minister of the crown, but long as a member of parliament, and I would like to take the opportunity—

He never found the opportunity during the long time he was a member of parliament.

—of stating that the service rendered by the members of the government service in Ottawa has been and is invaluable.

That was no news to us in Ottawa, but it was a compliment well deserved and graciously expressed. He continued:

It has been said of the British civil service that it provides the stabilizing influence of government. That is true in Canada.

That was once true in Canada, but it is no longer true, not since the Prime Minister has started on his campaign of dismissal, salary reductions and general disruption of the service. He continued:

Good judgment and experience have always been placed at the service of the country. Canada must retain the services of its best brains.

Are we to infer from that that all those who have been retired, or will be retired, are the worst brains or have no brains at all? But that of course, was said on the eve of an election. He goes on:

We have them here—

Certainly, we know that.

—and we must see to it that those who forsake the greater remuneration of private business and turn a deaf ear to the insistent calls and temptations of other countries, are not asked to pay too high a price for the loyalty and devotion which belongs to us.

But we must not forget this was said on the eve of an election. He talked then of loyalty and devotion! What does he say this year? At page 561 of Hansard of this year, introducing the bill providing for the salary cut, the Prime Minister said:

They could command a larger compensation in other walks of life, yet in these days it is apparent that the compensation given is not so much out of line as some people have thought. There is a measure of security of employment; there is a certainty of not too long hours.

In 1930 he talked of loyalty and devotion, and now he talks of security of employment

and not too long hours. On the eve of the election he talked of "turning down higher salaries" in the outside world, and now he says that "the compensation is not so much out of line." O tempora, O mores! Loyalty and devotion on the twenty-sixth of July, 1930, and security of employment and not too long hours in 1932! Why, Mr. Speaker, speaking of security of employment, since the Prime Minister started his campaign of dismissals, you could not get Lloyd's or any other insurance agency for any premium to insure the security of a position in the civil service.

The Prime Minister also said:

I make no distinction of class or race; it applies to all.

Why bring that up? He also said:

The civil service contains men and women equal to those in any part of the world.

Of course, that was said on the twenty-sixth of July, 1930, on the eve of an election. It looked then as though better remuneration for the civil service were in the offing. But to-day the Prime Minister says:

We must not ask them to sacrifice their future entirely.

No, Mr. Speaker, we do not ask them to risk their future, but we order them arbitrarily by means of this legislation to risk their future and everything that is sacred to them. But we are not to-day on the eve of an election. The Prime Minister continued:

That is equally true of those in the lower grades.

That was on the eve of an election, on the twenty-sixth of July. The Prime Minister knew that a large proportion of the civil servants belonged to the lower grades. He went on:

They are one in the great machinery that moves the government of Canada, everyone of them discharging as they do their duty and obligation to this country, and we render them homage for so doing.

We render homage—
—the gallant knight—
O see him stand
His hat in hand,
His heart on his sleeve,
On this election eve.

Yes, that was on the twenty-sixth of July, on the eve of an election. But to-day the army of the dismissed and of those about to be dismissed now returns the gallant knight's homage, and in the words of the Roman gladiators about to enter the fatal arena they now cry, Ave Caesar! Morituri te salutant! Hail Caesar! Those about to die salute thee!

The lower grades! When the members on this side of the house said that the exemption of five per cent to those earning less than $1,200 and who paid into the superannuation fund was a sop, no truer word was spoken. When I asked the hon. Minister of Finance how many civil servants there were in receipt of $1,200 or less, he answered at page 901 of Hansard that there were 16,408. That seemed a formidable number. It seemed as though an army of civil servants would receive the benefit of the five per cent exemption. But I subsequently asked him how many of the 16,408 paid into the superannuation fund and how many into the retirement fund, and he answered that 5,550 were paying into the superannuation fund and 550 into the retirement fund.

Subsection 2 of clause 5 of the bill makes it quite clear that the five per cent exemption will apply only to those who pay into the superannuation fund, and will not apply to those who pay into any other fund. So, after all, the benefit of the five per cent exemption will apply only to 5,550 civil servants earning $1,200 or less, and will not apply to 10,858 civil servants with a remuneration of $1,200 or less. It means that 10,858 civil servants with a remuneration of $1,200 or less will be called upon to pay the full ten per cent.

O ye employees of the lower grades! On the eve of the election the Prime Minister rendered thee homage, but to-day, two years later, he cuts your salaries by ten per cent.

The Prime Minister also said on the twenty-sixth of July:

I am not here to-night to make that kind of preelection promises.

Oh, no! On that sultry evening, butter would not melt in the mouth of the right hon. gentleman. He said:

All I say is they are the same promises I have given to the people of Canada.

Don't the civil servants know it? Promises of what? Bridges, free ports, highways, and not least, the promise to end unemployment. The Prime Minister said:

I promise to deal fairly by them.

And the report in the Ottawa Journal shows that statement was greeted with cheers. To-day that ought to be changed to tears. The Prime Minister went on to say:

To see that they have justice, and as a great chieftain of my party once said, a fair day's wage for a fair day's work.

That was true in those days, Mr. Speaker, but to-day there is not a fair day's work to

be had in order to give one a fair day's pay. Here is another gem:

I have long since by personal investigation—

The right hon. gentleman has always been very strong on personal investigation:

—satisfied myself that all is not well to the extent that they would have it—

That is, that the civil servants had cause for complaint. He went on:

—and from my investigations and they are considerable—

Nothing small about the Prime Minister:

—I have concluded—

What did he conclude? After these numerous personal investigations, and they were considerable, what did he find? Did he find that there was overlapping, overmanning, money being squandered? No, Mr. Speaker, he did not find that. All he found on the eve of the election was "All is not well to the extent that they, the civil servants, would have it." If there was overmanning at that time, surely his considerable and numerous personal investigations should have revealed it to the right hon. gentleman. If there was anything wrong at that time, why did he not find it out in his numerous personal investigations? If he did find out anything wrong, why did he not say so? Why did he wait until the introduction of this measure to say that there was overmanning and overlapping in the civil service? He did not then use these words which are to be found in Hansard of the twenty-sixth of February, 1932, at page 560:

That does not detract from the value of the service that is rendered by the painstaking and thoughtful men and women who serve the state with loyalty, and who do not look upon their positions merely as an opportunity to enable them to see what they can get from the treasury, but there are those who take that attitude, and ultimately that matter must be determined by suitable and proper investigation.

The right hon. gentleman did not find that out on the twenty-sixth of July, 1930, or if he did, he did not say so. Well, after his personal investigations, what did the Prime Minister conclude? He concluded (1) to add to the Civil Service Commission a member chosen from the ranks of the service itself; (2) to have the merit system rigidly adhered to; (3) to have a survey of all the civil service with a view to a proper reclassification, and the Prime Minister said "Such action will be taken at once, and not nine years hence." I will end unemployment, the Prime Minister said, and unemployment two years afterwards has not been ended. Nor has the Prime Minister made any attempt as yet to have the service reclassified. The Prime Minister also promised an amendment to the Superannuation Act to ensure equitable operation. But that was on the eve of the election, and no amendment of the sort has yet been brought down.

Just before I conclude I should like to put on Hansard a verse that I have just received:

The Psalm of Bennett

Bennett is my shepherd, I am in want,
He maketh me to lie down on park benches,
He leadeth me beside still factories,
He restoreth my doubt in the Conservative party.
He leadeth me in the paths of destruction,
For his party's sake.
Yea, though I walk in the valley of the shadow of debt
I will fear much evil, for thou art against me.
The politicians and profiteers, they frighten me.
Thou preparest a reduction in my salary before me
In the presence of mine enemies.
Thou anointest my income with taxes;
My expenses runneth over my income.
Surely unemployment and poverty
Will follow me all the days of the
Conservative administration
And I shall live in a rented house forever.

For the reasons I have indicated I repeat that I am absolutely opposed to any cut in the salaries of the civil servants of Canada. I realize a considerable number of hon. members in this house feel that some reduction should be made; still I cannot agree with them.

An hon. MEMBER: The cup runneth over.

Mr. CHEVRIER: I do believe that the cuts should be graded, and I honestly and sincerely believe that if those who interrupt me were as free to speak their will as they are to make interruptions, if they were as free to stand up and express their own views, they too would say that the reductions should be graded. I dare not use the word I had intended to use because it would not be parliamentary, but I say they are not brave enough to stand up and state their views.

If I cannot prevent the passage of this measure, if the vote in favour of the reduction is to be taken, I am driven to a middle course. I therefore move seconded by my colleague from Ottawa:

That all the words after the word "That" in the said motion be struck out and the following words substituted therefor:

"the said bill be not now read a second time, but that this house is of opinion that any deduction from the salaries of public servants by way of a fixed percentage applying indis-

criminately to all such salaries, except as to those under $1,200 as provided for in the said bill, is unfair, inequitable, and unjust; and that any proposal to make such deduction should have regard to the cost of maintaining a decent standard of living.

Mr. T. F. AHEARN (Ottawa): Mr. Speaker, in seconding the amendment proposed by my colleague the hon. member for Ottawa (Mr. Chevrier), I, like him, felt that I was proposing the lesser of two evils. Dismissals and reductions should come last of all and not in the middle of the government's efforts to retrench. To-day, coming as they have at the beginning of retrenchment, they have shaken the morale of the civil servants of Canada. The Prime Minister of Canada has said that the horizontal cut of ten per cent should be received gladly and patriotically—

Mr. ROBINSON: May I ask a question?

Mr. AHEARN: No.

Some hon. MEMBERS: No.

Mr. ROBINSON: I am wondering if my hon. friend is speaking for the civil servants in the border cities, because if he is he is wrong.

Mr. AHEARN: We have heard of the kindly old lady who wrote to the Prime Minister (Mr. Bennett) the letter which has since become so famous. The general public and the civil servants, however, are entitled to seek the cause of this legislation, and I have no doubt they will find that it is brought about through the failure of the high tariff policy of the Conservative party to cure the depression which is at the root of our trouble. To my way of thinking the so-called cut is simply a ten per cent extra income tax imposed upon public servants. Elementary economics teach us that taxation shall not be imposed on one particular class or community. Practical politics are found often to be diametrically opposed to that principle, and all through history isolated classes and communities have been specially picked out and made to suffer, as are the civil servants in Ottawa to-day. This is nothing new.

In August, 1930, the government changed its tune. Formerly it had said that the growing depression in Canada was due solely to alleged Liberal misrule, but in August it announced that the condition in Canada was only part of a growing world depression. I think the choice then presented itself of either advising private industry in Canada to maintain wages and salaries and thereby to maintain spending power, or to do the reverse. The government chose to cut down salaries and dismiss employees. It must take the responsibility of giving a very definite lead to private industry throughout Canada. No government can escape that responsibility.

The example the government has set as to dismissals and salary cuts has been followed throughout Canada. This is a bankers' policy of deflation; it is being carried to an extreme, and the end is not in sight. If the government had called a conference of employers late in the year 1930 and had made an appeal to them, as did President Hoover of the United States, to maintain spending power by maintaining wages in my opinion Canada would be in a better position than it is to-day. Only private concerns already facing financial difficulties would have failed to follow that lead.

Very often hon. members in this house have quoted letters and books in support of their arguments. Instead of that I purpose to speak from my personal experience in some companies with which I am connected.

I happen to be a director of several Ottawa companies, and I am glad to say that more than two-thirds of those companies up to the present time have not reduced their pay-rolls or the number of their employees. Among these is the largest company with which I am connected. These companies decided that the maintenance of spending power in Ottawa would, in the net result, benefit them more than the discharge of employees, provided red figures could be kept at a reasonable distance from their ledgers. Another company of which I am a director, even before 1930, was worrying about the red figures in its ledgers, and the directors decided that the service must be cut down by 30 per cent, or if the regular number of employees was to be maintained that the employees and management must take a ten per cent cut. There was an agreement that either one or the other course must be adopted. There was also unanimous agreement, however, that only one and not both of these courses would be followed. This company was operating in a position different from the others because it was working on a fixed tariff, extending over a period of years, its reserves were depleted and its borrowing powers were therefore much restricted. But it did not cut wages and dismiss employees as well; it did not, as an hon. member of this house characteristically stated, cut wages and also discharge forty per cent of its employees. A reference to the bureau of statistics will disclose the fact that the number of employees of this company has

remained practically the same, except for the usual seasonal variation.

The government cannot, by any stretch of the imagination, be compared to a private company experiencing financial difficulties. No private concern has such enormous powers of borrowing or of taxation, yet the company of which I speak—and I know there are many others like it—chose to cut wages rather than discharge employees during the continued depression. The government of Canada is doing both, and I think that is the important point that should be remembered by this house. I do not think the actions of the big companies are absolutely typical of what is happening in Canadian industry; thousands of employers in Canada are maintaining employment and wages in spite of falling revenues, and those in charge of these concerns think they are doing a helpful and a patriotic work.

What will be the reaction to the lead of the government? What are employers in Canada going to think? Unless I am very much mistaken they will decide that the government would not adopt this course if it had any real hope that its policies would get this country back to normal within a reasonable time. How can this cold-hearted and panic-stricken move of discharging men and women and reducing wages be viewed except as a confession of failure? That is what the business men who have been maintaining wages and employment are saying to-day. They are also wondering, I think, if they should delay very much longer in making cuts and dismissals, following the lead of the government, because naturally they feel that if the depression is going to last for several years they had better lay up reserves. I think the government is setting an example which will have its effect in every constituency in Canada. How many hon. members will be able to return next session and say that men and women were not dismissed as a result of the example given by the government, and that as a result the purchasing power in their own constituencies has not been further contracted?

I suppose the action of the government will be popular with a certain type of individual, and it may be approved by a certain type of farmer. But it is a distinct threat to the farm hand, and no one who works for a wage or salary can fail to see the threat to that wage or salary in the wide-open invitation that the government is giving every employer in this country to-day.

For over two years the President of the United States has followed the policy of asking private industry to maintain wages and salaries and thus help maintain purchasing power. The president has never deviated from this policy, and I believe that as a result hundreds of thousands of people in the United States are at work to-day instead of walking the streets. Only a few weeks ago President Hoover let it be known through the press of the country that he wished civil service salaries maintained, and he stated that he would veto any bills coming before him which had in view the reduction of salaries. I think no one in the United States is more anxious to bring into effect every reasonable measure of economy possible, but the president would not consent to the reduction of salaries. I am told the United States treasury faces a deficit of about two billion dollars, but in spite of that fact the president evidently realizes what an unwise lead to private industry would mean. I should like to quote from an article appearing in the Literary Digest of January 23, 1932, headed, "Swinging the Economy Axe." I think this illustrates my point:

> Four representatives introduced bills to slash the pay of federal employees, who number more than 600,000. But President Hoover, strongly as he advocates economy, let it be known that he would veto any bill to reduce government workers' pay. He feels, the correspondent tells us, that such action would impair the efficiency of federal departments. . . .

This is the big point:

> . . . . and set a bad example in private industry.

The Minister of Finance speaks of the $8,000,000 that will be saved by this special and extra income tax. What about the direct losses it is bound to cause? The government cannot make dismissals and wage cuts without this action being reflected in the national revenue. It will be almost impossible to compute, but I believe the loss to the treasury in the end will over-balance the gain, and the government will have a residue of unemployment, misery and discontent with which to deal.

I do not propose to enlarge upon the despair and the misery which will be caused to so many people in the city of Ottawa by the policy of the government as contained in this bill. I can only say that we feel it too deeply to say very much about it. Who can stand up and honestly say he believes this horizontal cut is equitable? Let us consider the case of a mail carrier receiving we will say $1,350 a year. First he gets a ten per cent cut, and then he loses his statutory increase, which makes a total loss of about $255. In addition

he must pay five per cent of his salary to the superannuation fund. Then let us consider the contribution of the cabinet ministers under this special income tax. On taking office their salary was $10,000 per year which, with their sessional indemnity of $4,000, gave them an income of $14,000. On that amount they will pay $1,400 by this special income tax. Since taking office in 1930 the ministers have had their government cars taken away from them by the edict of the Prime Minister and to make up for that the head of the state showed great compassion and allowed each minister $2,000 per year in lieu of a car. I understand that this amount is not taxed. Fifty dollars a month, or $600 a year, will pay for a great many taxi rides, and we have some very luxurious taxis in Ottawa. Of course we are always delighted to see members of the cabinet on the Ottawa street cars, because it shows that they still have some spark of democracy left. Now consider the mail carrier and the twenty per cent contribution he is asked to make, and then consider hon. ministers. How can any man with any regard for equity and justice defend this bill? When you come to figure the financial sacrifice, it is the amount a man has left that counts.

When speaking on the resolution on which this bill is based, the Prime Minister referred to some remarks which I had addressed a few days previously to the Ottawa Liberal Twentieth Century Club. The right hon. gentleman chose to say that I was making political capital; I choose to say that I stated facts. I suppose that what aroused the right hon. gentleman was the statement that the Liberals expect to win the traditional and almost sacred Tory county of Carleton, which has always selected a Conservative, no matter what his record in public life might be.

Ever since the ten per cent extra income tax was first announced by the Prime Minister, it has, I think, been quite apparent that every effort by the Liberal members to express disagreement with this bill has been met with the cry, "This is making political capital". The Ottawa newspaper supporting the government, or one that used to support it, set up that cry. When the hon. member for Shelburne-Yarmouth (Mr. Ralston), who spoke from the heart, pleaded for those unfortunate men of the Royal Canadian Air Force who will soon be walking the streets, his successor in office replied to the effect that he was making political capital; and this was said in such unparliamentary language that I could not repeat his exact words without falling foul of you, Mr. Speaker.

If making political capital has suddenly become a major offence, does the right hon. gentleman think that his record in that respect entitles him to reprimand or rebuke anybody? Does he imagine that his remarks during the last general election campaign are gone and forgotten? Am I to take it that not one hon. member sitting on your right, Mr. Speaker, will attempt to make political capital out of this bill if it passes, nor that one Conservative newspaper will make any attempt in that direction? We on this side of the house, as a matter of fact, are not worried very much about making political capital, because hardly a week passes in these strenuous days when the right hon. gentleman himself does not supply us with all that we require.

To very many civil servants in the constituency which I represent, the passing of this bill will mean a double income tax. To the people of Ottawa it will mean the drying-up of purchasing power. To those unfortunate men and women whom the government is letting out, it will mean misery and privation. What a far cry from July, 1930: "We will end unemployment." Whoever thought that those who raised that cry would actually cause unemployment? The city of Ottawa, in a business sense, has been very adversely affected by the government's action in respect to the civil service. Perhaps nothing that has been done has so adversely affected the city as this government's statement that a survey will be made to ascertain whether further dismissals cannot be made. That statement hangs like the sword of Damocles over the head of every civil servant and, to a lesser degree, over the heads of all the citizens of the capital of Canada. What is to become of the men and women who are being dismissed? If another $150,000,000 is to be spent by the dominion and provincial governments and by the municipalities under the same conditions that have obtained up to now, it means on the average less than a month's employment in the year, and at small wages.

This government came into power because it promised to end unemployment, and today, in spite of its election promise, the government of Canada is leading the way in cold-hearted dismissals of civil servants, and, in addition to that, it is bringing in this wage cut. In 1933 or 1934, when this parliament is dissolved and the Tory party composes its bedtime story for the campaign, does the right hon. gentleman imagine that the people of Ottawa will believe him again? If he does, he had better recall what President Lincoln had to say with regard to the extent of the people's credulity.

Mr. ALPHONSE FOURNIER (Hull): Speaking to the resolution on March 3, I stated that the government, in introducing this legislation, was certainly setting a bad example to private industries, to contractors and to municipal and provincial governments. I did not think I was making any mistake in that regard, because I felt that private companies would certainly follow the example set by the government. I regret to say that my prediction has been justified. I have here an article that appeared in the Citizen of April 2 under the heading "Lower Wage Rates in effect by May is New Decision." I understand that contractors in the city of Ottawa decided at a meeting to follow the government's example. Let me quote exactly what was published in the Citizen:

"The contractors and other employers of labour in the building industries of this city have been considering for some time the relative value of the wages paid to employees in this industry, as compared with the existing cost of living, together with the cuts in salaries that have, and are, taking place in other occupations throughout the city. Finding the rate per hour is entirely too high in proportion, and also finding that under existing rates it is almost impossible for a prospective builder to receive any return whatsoever upon a commercial building, we feel that under the present conditions the public at large is paying too much for the necessary repairs and improvements that have to be done to keep their existing property from deterioration."

"We also consider that the existing rate, as paid to labour on civic work, is far too high, and take this opportunity of protesting against our civic authorities paying from five to fifteen cents per hour more than the rate paid by other industries. Having the interests of the public in view, the contractors have decided that the existing rates will be reduced from five to twenty-five cents per hour to take effect on May 2 next. It is our sincere hope that the residents of this city and district will appreciate the fact that it will give them the opportunity of having their work done at a greatly reduced cost, as already prices of materials have been materially reduced. The contractors feel, that, with these new rates, they will be greatly assisting the Mayor, J. J. Allen, in his commendable 'Work and Buy Campaign.'"

I certainly was not surprised at this move on the part of the contractors of Ottawa. I said on March 3 that I had been requested not only by the Liberal electors of my riding but also by the Conservative Association to protest against this legislation. One of the reasons given by these associations was the one I have given, namely, that if the federal authorities sought to save $8,000,000 by means of a horizontal cut of ten per cent, that example soon would be followed by private enterprises.

The employees of the E. B. Eddy Company in my own city suffered a cut last year, and although I cannot certify to my information, I understand that this company intends to make a further cut this year. This is the largest concern in my constituency and ordinarily it gives employment to a considerable number of people. In addition to a cut in wages last year, these employees are to-day working only part time and are faced with a further cut.

The hardships borne by the civil servants in Ottawa and Hull do not seem to be known to the authorities. Over 12,000 civil servants in Ottawa and 500 in Hull will suffer this horizontal cut. Those receiving less than $1,200 per year will suffer the cut but have their superannuation paid. I believe the service will suffer because of this reduction. These men and women have been allowed to think that their salaries would be increased year by year, but this year they are not to receive the usual increase and are to suffer a reduction as well. As I said before, there are 4,000 employees in this city and vicinity who receive $100 or less per month, and these people will face a reduction of $60 in their annual salary. As stated by the hon. member for Ottawa (Mr. Chevrier) the prices of fuel, rent, mortgage interest and other contractual obligations have not decreased, but in fact have risen during the past year or so. Only three days ago the Department of Public Works dismissed 102 of its temporary employees, and many of these employees who live in my city are to-day in the ranks of the unemployed. I have cited already the case of a father of eight children who after being appointed temporarily to this department decided to buy a home for his family. He invested all the cash he had saved at the time and assumed an obligation which to-day amounts to about $1,200. This man will not only suffer the loss of his position but must face the possibility of finding himself and his family out on the street. I have made representations to the department in this connection, but so far have obtained no results.

There is no use trying to find work in my city, as at present there are 3,000 unemployed. Some three or four hundred men receive one week's work per month, and the remaining 2,600 have no work and must live on charity. During last winter the city of Hull with the assistance of the provincial and federal authorities spent over $19,000 per month on direct relief. This will show to a certain extent what hardships this cut in the salaries will work on my constituents.

We in the province of Quebec are not used to these cuts in salary. The provincial government has taken drastic steps to balance its

budget but it has never for one moment thought of reducing the salaries of its employees. As a representative of the city of Hull and one interested in the support of all those working in the service, I wish to renew my protest against this bill.

Hon. W. R. MOTHERWELL (Melville): Mr. Speaker, since this bill was presented I must confess that the more I think of it, the less I think of it. I wish the government would bring down something which I could support. For three or four weeks I have been opposing a most objectionable relief bill and now I am faced with another bill which is almost as odious. I have not been able to discover one redeeming feature in this legislation, unless it be the five per cent sop which is given to the lower grades. This is nothing less than an admission of the soundness of the graduated system; in fact, it condemns the bill itself.

I think there has been only one minister who has stood up to defend this bill, and no wonder. The Minister of Finance (Mr. Rhodes) undertook to defend it, and being the experienced and capable man he is in parliamentary practice and debate, it may seem like presumption for me to criticize his criticism. It was really a lamentable case he put up in support of the bill. I congratulate him for trying to father it, because before that it had been an orphan so far as the rear guard Tory forces of the house were concerned.

The minister said there was no difficulty in securing men and women for the lower classifications, while there is difficulty in securing and retaining those in the higher classifications. What does that mean? It means that it does not matter much about the lower grades because, according to the minister, or as the hon. member for Moose Jaw (Mr. Beynon) said the other day, "we can go out on the street and pick them up any old time." The higher classes are nurtured more carefully because they cannot be got every day and the government cannot be sure of keeping them. These reasons given by the Minister of Finance in support of this bill are not those which should be expected from a gentleman of his parts, and I do not think he really holds that view. If I am putting a wrong interpretation upon his remarks I wish he would correct me right now.

Mr. RHODES: We are not in committee.

Mr. MOTHERWELL: I never did think a maritime Tory was just quite as bad as an Ontario Tory, but what am I to think now?

The higher classes are being taken care of because there is difficulty in replacing them. That is given to us as a profound reason for supporting the bill. It was stated also that those in the higher grades donated to the income tax. Why should they not pay in both instances? To state that there should be a sort of saw-off because they are hit by the income tax is absolutely absurd. If lower classification escapes a cut, the minister said, a greater burden is thrown on the public. That was thought to be a cincher, but it is not. The same revenue can be secured out of the civil service on the principle of graduated cut, provided it is sharper at the higher salaries. So that is another piece of—what shall I call it?—nothing offensive, but a sort of highclass bit of piffle.

A graduated cut makes many inequalities, one at every grade, argues the minister. Of course it does. My hon. friend argues that it is better to have one great big differentiation between the lower and the higher paid ones than to have a number of small graduations. I never before heard that principle enunciated. If that were sound, how would you get along with your income tax graduation? How would you get along with all the grading in our wheat and cereals generally and other farm products? The closer the grades are together, the fairer the system, and the nearer you get to a sound and just graduated system. The same is true in this instance, but my good friend must have been in desperate straits when he pointed out that you would have a little inequality between each grade. If that is sound, how is it that every government that I know of except this one and one other, has had a graduated rather than a flat rate system of salary cut? Is his government right because it stands alone? Or is it wrong because this principle is unsound and has been proved to be so? I am very much disappointed with the Minister of Finance because I admire him greatly. What kind of defence would his colleagues and supporters have made if they had attempted to give one? They surely would have muffed it badly, because the bill is indefensible.

I am interested in this matter, not because I have in my constituency any more civil servants than any other member has in his I think I have one, but I take this ground, which I have always taken: I do not want to profess I have a tremendous amount of experience, but I cannot help having some. One who has been in parliament so long, whether he has made the best of his opportunities or not, cannot but have some knowledge of the civil service and the important part it plays in the

affairs of government. Since I have entered parliament I have heard the veriest nonsense talked in all parts of the house except perhaps from the corner to my left which is so eloquently silent now. We have heard about the civil service of Ottawa, the silk stockinged brigade on Wellington and Metcalfe streets and that sort of thing. Because the staff dressed respectably, it was apparently thought they were not doing anything. I am sorry to admit that long years ago—I shall not say how long—I used to hold such opinions myself; but when we grow up we try to absorb some knowledge of affairs, although apparently some members opposite have not yet done so. I take the ground that it is more important to have a first class civil service staff and a second rate government, such as we have, than to have a second rate staff and a first class government, such as we have not. I do not want to put the government in the second or third class; I shall just say an inexperienced government. We all have to be freshmen at some time or another and gain by experience, but there is not very much evidence of that experience developing yet in our hon. friends opposite. After long years on my farm in hiring men and women and my experience in the government of Saskatchewan as well as some here, I feel strongly about securing the very best staff that money will buy, using them well, paying them well and then expecting good service from them. That pays every time. At this time above all others it seems to me that principle should be carried out. But we are told the country's finances are bad; the budget must be balanced and therefore we have to go after the civil service staff and try to practise economy—that kind of so-called economy. I do not think that is economy at all. It is, as the old saying goes, saving at the spigot and wasting at the bung; penny wise and pound foolish.

Lest I be thought wrong, let me call to the support of my contention some of the findings and sayings of the Beatty commission. I do not think anybody has cast any reflection upon the capacity of that commission to deal with the question of civil service salaries; my only regret is that these findings have not all been carried out. I am sorry to have to quote, but this is so good it is worth while, and lest my stand be challenged, I wish to support it with this testimony. I read this from page 9 of the report of the Beatty commission:

> The formal distinction between the legislative and executive branches of government, between parliament on the one hand and the cabinet controlling administration on the other, obscures but it does not alter the fact that efficient parliamentary government is only possible when the decisions embodied in statutory form are made effective throughout the Dominion by a body of trained administrators and experts. Until well within the nineteenth century, there was no country which possessed a trained civil service.

Therefore the importance and efficacy of our work in this legislative chamber depend upon a trained civil service staff to carry on the administrative services. Otherwise our legislation would be of no effect; we might as well have so much waste paper. Thus the administrative arm of government as represented by the civil service staff is a most important part of government. Because of that, this is not the time to weaken that arm; this is the wrong time to do so. Then on page 10 of the Beatty commission report, I find this:

> Throughout our inquiries, we have been impressed by the character of the work now done in the civil service of Canada. In accord with the highest traditions to be found elsewhere, its own tradition demands the faithful performance of his duties by the individual, though the results of the work done, however important they may be, do not accrue directly to him, either in the form of wealth, or, as a rule, in the form of public recognition.
>
> It is the service as a whole, whose prestige is increased, or whose influence for good is extended, when work of outstanding merit is performed; and it is within the service only that the individual worker obtains his reward. His reward is not in material advantage, but in the recognition and approbation of his fellow workers.

He gets merely a salary and the state gets the advantage and profit which is sometimes very great, of his work. On page 11 I find the following:

> The importance of the responsibilities devolving upon the scientific workers in the Department of Agriculture, for example, it is almost impossible to exaggerate. In these days, when improvement of the quality of farm products is all important, their work is of lasting benefit to every farmer practising scientific agriculture, and to every organization marketing farm products. Much the same may be said, in a very different field, of the research work carried on in the Department of Mines by the staff of the Geological Survey and others. Many mining camps in Canada have presented new mining and metallurgical problems, upon the solution of which the development and economic use of their ores has depended.

That bears out my contention in full. Let me supplement it by another quotation from page 13 of the report:

> In the course of discussions with deputy ministers and others who appeared to give evidence, we were impressed with the keenness and ability of many of the senior officers in the service. Their calibre is proof—if proof be needed—that in the past the civil service has been successful in enlisting and retaining men of

first-rate ability, despite the relatively moderate remuneration. We do not feel the same assurance, however, that it will continue successfully to recruit or hold such men in the future, unless conditions of employment and prospects of advancement in the service can be simplified and improved considerably.

That was said about two years ago, but the Beatty commission at that time took the ground, just as the Minister of Finance did, that it was difficult to hold good men, and they were fearful then that they would not be able to hold them. Conditions have since changed rapidly, not due entirely to our friends opposite coming into power, of course, but reading this report I am bound to ask myself and the house this question: Are the conditions surrounding the civil service to-day conducive to holding men and getting good service, when the axe is now uplifted and threatening to strike at any time? The Prime Minister said that there were still too many in the civil service. Who knows who is going to be the next victim? Under such conditions how can you possibly get the maximum service from a staff, no matter how good it is?

I think I have quoted sufficiently from the Beatty report to show that the Beatty commission, a recognized authority, more than confirms what I said about the importance of the civil service. What did they say would be the cost of putting their recommendations into operation? They say:

> We estimate that the net additional cost in the first year will be approximately $360,000; and the total additional cost, when adjustment is completed, approximately $750,000 annually.

That would have secured the salary increases that were recommended for these 2,500 members of the scientific and technical service. A new classification was also made recommending increased salaries to various classes, but I shall not dwell on that except to say that the increases recommended run all the way from ten to forty per cent of an increase for the 2,500 members of the technical staff. Then there was that vast body of civil servants comprising some fifty or sixty thousand whose salaries were also under consideration by the Beatty commission, with a view to having the salaries adjusted upwards or downwards as the case might be, although it was generally expected that the revision would be upwards.

There is another class of civil servants, the research workers on the staff of the bureau of research. These men are doing very, very important work. The then Minister of Trade and Commerce (Mr. Malcolm) was organizing the bureau just about the time the Beatty commission started their investigation, and I observe that the Beatty commission in their interim report urged that the increases for the staff of the research bureau be granted right away. That recommendation was carried out by the government, and it applied to about thirty or forty research men. They got their increase. Why? So that Doctor Tory and the Hon. Mr. Malcolm would be in a position to attract the very best men that good money could secure. By giving these men their raise right away, we got a good staff. Where is the fairness in applying a straight ten per cent salary cut to these men, who got their increase, and to the 2,500 technical men who were recommended for an increase by the Beatty commission, ranging all the way from ten to forty per cent, and who did not get it? And applying the cut also to that other great body of civil servants whose salaries were under consideration by the Beatty commission and who have received no increases, whose cases have not even been dealt with yet? I do not think, Mr. Speaker, that you could pick up sixteen men from the highways and by-ways who would make a worse muff of this job than has been made by this government. I cannot conceive that it would be possible.

How did the government go about it? I must largely absolve the Minister of Finance of blame, because at the time the decision was hastily made I do not think he was Minister of Finance. We know, of course, that estimates are dealt with a considerable time before the house meets, so the present Minister of Finance could not have had very much to do with it. There could be only one man responsible, and I do not think there is another man in Canada who would have thought of dealing with this matter in the way he has dealt with it. That one man, I am sorry to admit, is the Prime Minister. He made up his mind that the salaries of the civil servants were too high, and that ten per cent must come off, and without giving them a chance even to make a squawk the head comes right off by the shoulder. You must have noticed in your boyhood, Mr. Speaker, having been brought up on a farm—nearly everybody in politics claims to have been brought up on a farm—that when you go out and cut the head off a cockerel—the axe is a very unscientific but a very sure way of doing the job—when the head is severed from the body the cockerel's mouth opens and gives a last gasp. That gasp is not very effectual. It is somewhat guttural, and accomplishes nothing. Now the civil service heads were cut off right by the shoulder before they were given an opportunity even to squawk. Of course the Prime Minister is a courteous gentleman, and when the civil servants asked for an interview it was granted, but on the very day that we were discussing

the salary cut in this house the civil servants' representatives trooped into a room in this building to present their views. Just imagine! Does any class of people in the world deserve that kind of treatment by the Prime Minister of the country? I submit that they do not. Kicked around like old boots; that is what they were. The rest of the government must bear their share of the responsibility, however, whether they had anything to do with it or not, and they are bearing it and trying lamely to defend the government's course. The civil servants troop in and present their case to the Prime Minister, although it is already all over. Does the government think that the morale of these men will be improved by such treatment? Does the government think that the ship of state will be any safer in their hands, especially when the axe is still suspended over their heads? I lack words, Mr. Speaker, with which to express my utter disgust at such conduct towards such an important arm of government. I would not speak with such assurance, sir, if I did not know that that was the wrong way, from years of personal knowledge in dealing with government employees. Even if they were the most unworthy wretches under heaven, they did not deserve that kind of high handed, imperious treatment. Many of the staff are organized. Even the letter carriers and those workers who clean the rooms in this building are organized and the government could easily have consulted with them first and eased the blow. But there was another way to do it, and I am going to refer now to another Tory government to show apparently that good things can come out of Tory governments as well as bad things—I would be glad to say good things of this government and to throw a bouquet if I could only find an opportunity to do so. Up in Queen's Park, Toronto, they had the same sort of unpleasant duty to do. They desired to cut the salaries of the civil service, and how did they go about it? The premier of Ontario called in the heads of the civil service organizations. Every government should welcome every class of society that is organized, and should be ready to hear its representations on behalf of its many members. Well, in Ontario they called in the heads of the various civil service organizations and said in effect: We want you to sit down with us and assist us in doing an unpleasant duty which we think it is in the interests of the province to have done. And that was done. They did not adopt a flat rate, remember; no such nonsense as that, but a graduated system from top to bottom.

[Mr. Motherwell.]

Have we heard any kick about it? Not one. What was that graduated system, Mr. Speaker? I must say I have been carrying the information around in my pocket ever since this bill came down. I find that to-night I am without it but I feel I know it well enough from memory to give some of the more important features. There was provision for a two per cent cut on the low salaries up to $1,000, and there are about ten steps in the ladder. Of course from the standpoint of the Minister of Finance that will be an objection, if he is serious. The cuts run from two per cent on small salaries to twenty-five per cent, the latter on salaries from $10,000 upwards. If such a system were adopted here all the deputies with salaries of $10,000 would receive larger cuts, and if the same scale were used in this bill the ministers would be cut about 50 per cent instead of ten per cent as at present proposed. The rate in Ontario, however, stopped at $10,000, and all salaries over that figure were taxed 25 per cent. Had the same rate continued I repeat there would have been a cut of 40 or 50 per cent on ministerial or other salaries of $20,000.

A survey of the salary cuts in Ontario raises the point that this question must have been viewed from a different angle by the provincial and federal governments. The government in Toronto viewed the matter from a fair, honest and just angle. Surely members of the federal government are not trying to save their own hides by taking the same cut as their most humble stenographer at $60 per month. If that is not the reason, what is it? What is more, Mr. Speaker, we learn from the schedules which have been worked out by the various organizations that not only are the lower paid servants to receive the same cut as the Prime Minister and his cabinet, but their cut is to be greater, even after allowing for the superannuation refund sop. In some cases the cut is greater by four per cent, depending upon the salary range. Those in the lower classifications in many cases are losing their statutory increases, plus the ten per cent. We can see the look of guilt on the faces of hon. members opposite, and especially on those of cabinet ministers, but they will commit this crime whether or not we object. We thus see that the humble charwomen and the post boys on the street are receiving greater percentage cuts than those of the cabinet ministers. This legislation is on all fours with the income tax outrage which was proposed last year by the government, but which fortunately for themselves was withdrawn. They would do well to-night if they were big enough to refrain from such a heinous crime against

the lower grades of Canadian civil servants. No man living who has any heart in him at all can defend this measure; yet it will become law. Well, if there is a political gallows or a political purgatory there will certainly in due time be some contributions to it by hon. members opposite.

It is said, Mr. Speaker, that the world is in sad difficulties; no wonder, if there are many governments like this one. The ship of state is in danger. We remember a short time ago that one of our passenger ships ran on a reef at Bermuda, and on that ship were some of our Ottawa civil servants. I fancy if we had been on that ship in distress we would not have submitted to a lessening of the crew or have told them that they would be given hail Columbia later on regarding their salaries. That would be the time we should encourage them to do their duty. That is what we should do now: We should encourage the staff by simple justice and improve their morale instead of the opposite as the government are doing at present.

No wonder the country is wondering what will happen next. There is only one joy left to many in Canada, and that is that of guessing what hon. gentlemen opposite are going to do next—nobody knows. I do not wish to take too much time in a discussion of this matter, but hon. gentlemen opposite know they are deserving of my criticism and that is the reason they are saying so little—they have a guilty conscience. If I were doing them an injustice they would be howling like a lot of coyotes.

So it is that instead of having a staff at its top notch of efficiency, we have one suffering a deep sense of injustice. I do not have to go round looking for evidences of their views in the matter; I can hear them from all points—I do not need my audiphone to know that; I can hear it without any trouble. Some of the staff are wondering who is going to get the axe next. They are in a state of dread and anxiety; some of them are in almost despair.

As a rule the farmer, although he may be badly off, has enough to eat. True, some of them just now have hardly that much, but the great average class of farmers do not suffer from lack of food. The same does not apply to those civil servants receiving only about $80 per month. My hon. friends opposite know perfectly well there is a prejudice against civil servants because of misinformation on the subject on the part of so many people, and some of the general public also hold the mistaken idea that civil servants do not do very much work, when as a matter of fact some of them are broken down with overwork. If we get more legislation like this, after the unemployment proposition, I do not know what may happen. Words fail to describe our indignation and disgust with this government, composed of men who are capable of better things and who know better. I have not one word to say against any member of the government as an individual, but some evil genius or evil spirit gets possession of them when they get together, and then there is the devil to pay.

Let us consider a certain family I know, consisting of two parents and four children. This man was on the canal first, until he reached his maximum of $100 a month. He was an ambitious young fellow, but he reached the limit of his salary range; children are a greater charge on the family budget as the years go by, so he decided to try to qualify for a higher classification. In order to do so, he had to go to school at night after working hard all day, but finally he started as a letter carrier at $85 a month, dropping $15 a month from his previous salary. He was given one increase, which brought his salary to about $90 a month, but while he was still getting $10 less than he had received previously, along came this legislation and he is now cut off from any further statutory increase, plus 10 per cent cut, or more than the Prime Minister is cut.

Mr. SPEAKER: The hon. member has spoken for forty minutes.

Mr. MOTHERWELL: It seemed very short, Mr. Speaker; I hope it seemed as short to your honour and those to whom I regretfully directed my remarks.

Hon. E. N. RHODES (Minister of Finance): Before this amendment is put, Mr. Speaker, I feel that I should say just a word, even at this late hour. May I pay my respects to my hon. friend from Melville (Mr. Motherwell) who, perhaps unwittingly, paid me a very great compliment when he suggested that I might reply to his argument. Although my hon. friend treats the most serious subjects with levity, and sometimes in a most entertaining fashion, I know of no hon. gentleman who asserts his views with greater vehemence. In fact, when the hon. member for Melville says a thing on his ipse dixit he rather leaves the impression with the house that the last word has been said. May I also say to my hon. friend—and I do so not unkindly—that he paid me a compliment when he said he was disappointed in the Minister of Finance. If my hon. friend had not been

disappointed in me I would have been disappointed in myself, because had it been otherwise I would have been afraid something was wrong with my course of action. You can always count on my hon. friend from Melville to be against the government.

But I notice, Mr. Speaker, that even my hon. friend is not infallible in his arguments. He proceeded to find fault with me because of an argument I used during an earlier stage of this discussion. In the first place let me say that he took from its context a sentence which I used on that occasion and put an interpretation upon it which it should not properly be given. I will let that pass for the moment, but I also brought forth the argument on that occasion with respect to the difficulty of securing permanency in the higher grades, and my hon. friend said that was mere piffle. Within two minutes the hon. gentleman proceeded to read from the report of the Beatty commission, after commending that commission as one with respect to which no criticism could be offered, and as a recognized authority. Then, if you please, one of the first things he read from that report was the very same argument I used on that previous occasion and which my hon. friend called mere piffle.

There would be some merit in my hon. friend's argument if he were right in his assumption that this is a salary reduction. It is nothing of the sort, and I want to make that point very clear. The bill itself says in terms that this is for one year, and the government has repeatedly asserted that the idea is to ask for a contribution from the civil servants for one year only. No one will be more delighted than the members of the government—and I am sure I can speak for all hon. members of this house, on whatever side they sit—if a similar sacrifice is not called for in future years.

My hon. friend said that no government, admitting a cut or reduction to be necessary, would be so foolish as to follow the course taken by this government and make a level cut. Let me say to my hon. friend that the very first act of the Liberal government when it came into power in 1897, when civil servants received salaries as low as $400 a year, was to deny to them their statutory increases for that year. That applied throughout the service, to the high man and the low man, and the government did it without statute or order in council; they just did it, in defiance of the statute which said that the civil servant "shall" receive an annual increase of so much.

[Mr. Rhodes.]

Mr. MOTHERWELL: May I ask my hon. friend if that was not the war pension that was taken away?

Mr. RHODES: No, the statutory increases of all civil servants, as provided by statute in 1896; I have described the action taken by the Liberal government in 1897.

Mr. MOTHERWELL: Can my hon. friend point out a precedent in Canada for a ten per cent reduction all along the line?

Mr. RHODES: I am just using that as an illustration, to show that there was a level action taken with respect to every employee irrespective of salary; in other words, it was a straight reduction. I was merely dealing with the principle. As I said previously, if we are discussing this as a salary reduction which was to be permanent and which would have a bearing upon the salaries of civil servants I believe the matter would be entirely arguable, and for my part I would be prepared to discuss it upon its merits. But let me say again that we are asking for a contribution for this year only; this measure has no bearing upon the salary status of civil servants or upon their superannuation.

Hon. gentlemen opposite—and I do not find fault with them—have been rather at pains to take the attitude that this is rather a pleasant duty on the part of the government. I want to say that the government took this step with very great reluctance, but I also wish to point out to my hon. friend from Melville and to his associates that I have discussed the matter quite frankly with many civil servants, who realizing the gravity of the situation as it exists to-day, are prepared to make the sacrifice which the government, in the circumstances, has felt called upon to ask them to make. But I think, rather than be condemned, the government should receive some degree of commendation for taking their life in their hands and exhibiting enough courage to sponsor an unpleasant measure of this character. If we were after popularity, and wanted to help our peace of mind, we would ask for an increase in the salaries of the civil servants instead of asking that a reduction be made.

I do not propose to labour the argument at this hour of the night, especially as I discussed the question at considerable length during the better part of a day while the house was in committee on the resolution. With respect to the amendment, I have only this to say. No one knows better than my hon. friend who moved it, and who is a lawyer of parts, that irrespective of any merit

there may be in the principle of the amendment itself, it simply means that if his motion were passed it would have the effect not only of defeating the bill itself but would be a direct vote of want of confidence in the government. For that reason I must say to the hon. gentleman and to the house that we are unable to accept his amendment.

Mr. BEAUBIEN: May I ask the minister a question? Can I gather from his remarks that this contribution which the government is asking from the civil service and from members of parliament will be just for this year and no longer?

Mr. RHODES: For one year, that is all.

Mr. JEAN-FRANÇOIS POULIOT (Témiscouata): I do not intend to speak at great length on this question, but I have observed that whenever the government bring down legislation of this kind they always try to create an atmosphere for it. We have to go this way or that way, as they dictate; otherwise we are not patriotic. Now we are told that we must do what is asked here for the sake of the country. There is one gentleman who has been in the government and who has had no less a champion than the Prime Minister (Mr. Bennett) himself. Speaking at Calgary on December 31, 1930, the Prime Minister made this statement:

> I cannot leave this subject without paying tribute to the remarkable service rendered to Canada by Hon. Gideon Robertson, Minister of Labour. He has worked without regard to hours. His intimate knowledge of every part of the dominion has made him an ideal minister.

To supplement what my hon. and learned friend the senior member for Ottawa (Mr. Chevrier) said a few minutes ago, may I quote a decision which was given by Senator Robertson in March, 1931. His decision was stated by the Deputy Minister of Labour in a letter to the manager of the Témiscouata railway, dated Ottawa, March 2, 1931. I quote:

> As you are aware, there have been comparatively few changes in wages rates in Canada within recent months and the policy of employers in general has been to maintain existing wage scales.

About the same time an interview was published in the papers to the effect that the then Minister of Labour thought it improper to reduce wages at the time. When my hon. friend the senior member for Ottawa spoke about the Canadian Pacific Railway, the Prime Minister interjected a few remarks about that company. I regret very much, Mr. Speaker, that the Canadian Pacific Railway has so much to do in the administration of this country; what the president of the Canadian Pacific Railway says is supposed to be infallible. Mr. Beatty is certainly a good man; at least he is supposed to be; but I do not see why we should bow down at everything he says.

My hon. friend from Hull (Mr. Fournier) made an excellent speech in which he referred to the bad example set by the government at the present time. Now we realize perfectly well that the government has some difficulty making both ends meet; that is indisputable. But why place the whole burden on the shoulders of the weak and the poor, those who have very small salaries? That is what I cannot understand. For instance, as I have said twice already and as I repeat for the third time, I expect the government itself to set an example in the way of sacrifice; but the members of the administration are protected. They saw that the business of the country was diminishing; they saw imports and exports decreasing considerably last year, and probably at that time Mr. Beatty gave word to the Prime Minister that there might be a cut in the salaries of civil servants. Then what happened? We saw that special provision was made for cars for the ministers. I do not object to ministers receiving a salary of $20,000 or $25,000 a year—and the year before last there were articles in the papers in regard to the indemnities to be paid to ministers. But such an increase should be given only in times of prosperity and not in times of stress. Yet last year there was a special allowance of $2,000 voted for cars for ministers. That allowance appears in the estimates again this year, although it has been reduced ten per cent. The salary paid to ministers was $10,000, plus their indemnity of $4,000, or a total of $14,000, and with a ten per cent reduction it would be $12,600. Now the members of the government are not in reality suffering a cut, because with the special allowance for cars they have actually $400 more than they had before. Instead of a reduction of ten per cent on $14,000, they have a reduction on $16,000, which, as I say, leaves them $400 more than formerly. And ordinary members have to pay $400 from their indemnity to help to make up that surplus. As I say, therefore, the ministers are not really suffering any cut; it is the members that suffer. The ministers have so arranged matters that they will not suffer. If the cut is for one year, and if the ministers think it is reasonable for the government to cut the salaries of poor civil servants who receive only $1,200 a year, out of which they have to pay five or ten per cent, as the case may be,

would it not be fair for the members of the ministry to emulate the example of those Japanese Generals and commit hari-kari before beginning to sacrifice others? Let them begin with themselves. I think it is extraordinary for the government first to protect itself without giving a chance to poor civil servants.

If conditions were different and the budget were being balanced, and if business in the country were prosperous, I would not object to ministers voting themselves a salary of $20,000 or $25,000. When ministers in England receive £5,000 or £10,000, as the case may be, the poor civil servant who receives only £200 does not have to make a contribution towards their salaries. The ministers should be ready to set a good example in these matters and should admit that the proposed cut is a very unwise move.

Every hon. member of this house has to be a sort of information bureau for his electors. They come to him with all their troubles, they come for donations to charity, to bazaars, to sports and everything of the kind. Upon being elected an hon. member has to sacrifice to a great extent his personal business. We do not complain about this, but we do urge upon the government to give consideration to those who are weak or who are not lucky enough to be able to enjoy the good things in life enjoyed by others. I ask the government to reconsider its stand against the amendment moved by the hon. member for Ottawa, which amendment I gladly support.

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

YEAS

Messrs:

Ahearn,
Beaubien,
Blair,
Bothwell,
Bouchard,
Boulanger,
Bradette,
Cardin,
Casgrain,
Cayley,
Chevrier,
Desrochers,
Donnelly,
Dubois,
Duff,
Factor,
Fafard,
Fontaine,
Goulet,
Gray,
Hall,
Hanson (Skeena),
Howard,
Ilsley,
King, Mackenzie,
Lapointe,
MacInnis,
Mackenzie (Vancouver Centre),
McIntosh,
Mitchell,
Motherwell,
Munn,
Parent,
Pouliot,
Ralston,
Reid,
St-Père,
Stewart (Edmonton West),
Totzke,
Veniot,
Woodsworth.—41.

[Mr. Pouliot.]

NAYS

Messrs:

Anderson (Toronto-High Park),
Anderson (Halton),
Barber,
Baribeau,
Beaubier,
Belec,
Bell (St. John-Albert),
Bennett,
Beynon,
Bourgeois,
Bowman,
Boyes,
Bury,
Cantley,
Carmichael,
Casselman,
Charters,
Cormier,
Cowan (Port Arthur-Thunder Bay),
Dickie,
Duguay,
Duranleau,
Embury,
Ernst,
Esling,
Fortin,
Gagnon,
Ganong,
Gardiner,
Garland (Carleton),
Gobeil,
Gordon,
Guthrie,
Hanson (York-Sunbury),
Hay,
Johnstone,
Kennedy (Winnipeg South Centre),
Laurin,
Lawson,
Lennox,
Loucks,
Lucas,
Luchkovich,
Macdonald (Kings),
MacMillan (Saskatoon),
MacNicol,
McGregor,
Manion,
Moore (Chateauguay-Huntingdon),
Morand,
Murphy,
Myers,
Neill,
Nicholson,
Perley (Qu'Appelle),
Pettit,
Pickel,
Plunkett,
Porteous,
Price,
Quinn,
Rhodes,
Robinson,
Ryckman,
Shaver,
Simpson ((Simcoe North),
Simpson (Algoma West),
Smith (Victoria-Carleton),
Smith (Cumberland),
Smoke,
Spankie,
Speakman,
Spencer,
Stanley,
Stevens,
Stewart (Leeds),
Stewart (Lethbridge),
Stinson,
Stirling,
Stitt (Nelson),
Sutherland,
Swanston,
Tétrault,
Thompson (Simcoe East),
Thompson (Lanark),
Tummon,
Weese,
Weir (Melfort).—88.

PAIRS

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

Messrs:

Arsenault,
Arthurs,
Baker,
Barrette,
Bell (Hamilton),
Bell (St. Antoine),
Black (Halifax),
Bowen,
Burns,
Cahan,
Chaplin,
Cotnam,
Cowan (Long Lake),
Dorion,
Dupré,
Thauvette,
Boucher,
Bertrand,
Rhéaume,
Mercier (St. Henri),
Raymond,
Dubuc,
McKenzie (Assiniboia),
Butcher,
Rinfret,
Malcolm,
Hurtubise,
Hanbury,
Verville,
Ferland,

Edwards,	Elliott,
Fraser (Cariboo),	McMillan (Huron),
Geary,	Mercier (Laurier-Outremont),
Gott,	Rutherford,
Hackett,	Perras,
Harris,	Jacobs,
Jones,	MacLean,
Laflèche,	Girouard,
Larue,	Denis,
LaVergne,	Dumaine,
MacDonald (Cape Breton),	Urquhart,
Macdougall,	Fournier,
MacLaren,	Fiset,
McDade,	Dupuis,
McGibbon,	Power,
McGillis,	Deslauriers,
McLure,	Euler,
Maloney,	Young,
Matthews,	Moore (Ontario),
Mullins,	Howden,
Perley, Sir George,	Marcil,
Rogers,	Heaps,
Ross,	Roberge,
Rowe,	Lacroix,
Ryerson,	Taylor,
Sauvé,	Séguin,
Senn,	Sanderson,
Short,	Heenan,
Spence,	Fraser (Northumberland),
Spotton,	Hepburn,
Stitt (Selkirk),	Weir (Macdonald),
Sullivan,	Brasset,
Turnbull,	McPhee,
White (London),	Gershaw,
Willis,	Brown,
Wilson,	Vallance.

Mr. MacLAREN: I was paired with the hon. member for Rimouski (Sir Eugène Fiset). Had I voted I would have voted against the amendment.

Mr. BUTCHER: I was paired with the hon. member for Portage la Prairie (Mr. Burns). Had I voted I would have voted for the amendment.

Mr. HEENAN: I was paired with the hon. member for Digby-Annapolis (Mr. Short). Had I voted I would have voted for the amendment.

Mr. SPENCE: I was paired with the hon. member for Northumberland, Ontario (Mr. Fraser). Had I voted I would have voted against the amendment.

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

Mr. RYERSON: I was paired with the hon. member for Norfolk-Elgin (Mr. Taylor). Had I voted I would have voted against the amendment.

Mr. SENN: I was paired with the hon. member for South Perth (Mr. Sanderson). Had I voted I would have voted against the amendment.

Mr. MULLINS: I was paired with the hon. member for St. Boniface (Mr. Howden). Had I voted I would have voted against the amendment.

Mr. FOURNIER: I was paired with the hon. member for Inverness (Mr. Macdougall). Had I voted I would have voted for the amendment.

Mr. BERTRAND: I was paired with the hon. member for Toronto Northeast (Mr. Baker). Had I voted I would have voted for the amendment.

Mr. FRASER (Cariboo): I was paired with the hon. member for South Huron (Mr. McMillan): Had I voted I would have voted against the amendment.

Mr. EDWARDS: I was paired with the hon. member for West Middlesex (Mr. Elliott). Had I voted I would have voted against the amendment.

Mr. BRASSET: I was paired with the hon. member for St. Ann (Mr. Sullivan). Had I voted I would have voted for the amendment.

Mr. HURTUBISE: I was paired with the hon. member for North Renfrew (Mr. Cotnam). Had I voted I would have voted for the amendment.

Mr. McKENZIE (Assiniboia): I was paired with the hon. member for Durham (Mr. Bowen). Had I voted I would have voted for the amendment.

Mr. MALONEY: I was paired with the hon. member for Weyburn (Mr. Young). Had I voted I would have voted against the amendment.

Mr. ROSS: I was paired with the hon. member for Megantic (Mr. Roberge). Had I voted I would have voted against the amendment.

Mr. BELL (St. Antoine): I was paired with the hon. member for Beauharnois (Mr. Raymond). Had I voted I would have voted against the amendment.

Mr. McDADE: I was paired with the hon. member for Laprairie-Napierville (Mr. Dupuis). Had I voted I would have voted against the amendment.

Mr. GIROUARD (Translation): I was paired with the hon. member for Richmond-Wolfe (Mr. Laflèche). Had I voted I would have voted for the amendment.

Mr. PERRAS (Translation): I was paired with the hon. member for Stanstead (Mr. Hackett). Had I voted I would have voted for the amendment.

Mr. SPENCER: May I draw the attention of the house to the fact that whenever we have a vote and the pairs are declared, we take up a great deal of time, there is absolutely no order, and although pairs are supposed not to be recognized by the Speaker, at the same time they must be because the Speaker allows the members to declare themselves. I would suggest that in declaring pairs the members be asked to do so in order, as they sit, just as the ordinary vote is taken.

Main motion (Mr. Rhodes) agreed to, bill read the second time and the house went into committee thereon, Mr. Hanson (York-Sunbury) in the chair.

Progress reported.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. BENNETT moved the adjournment of the house.

He said: In order that business may be expedited, we propose to-morrow, if we reach supply, to take up the remainder of the departments that have not yet been considered, and the convenience of the opposition will be studied as to which department it is desired to take as we proceed. There are, I understand, certain members of the opposition who wish to deal with different departments, and their convenience will be considered in that connection. So far as I am aware, the following departments have not yet been before the committee: Finance, Railways and Canals, Labour, Mines, Immigration and Colonization, National Defence, Interior, Pensions and National Health. There is the resolution on bankruptcy, and there are other government orders. If we reach supply we shall make the necessary arrangements to suit the convenience of the opposition as to which department they wish to consider.

Mr. MACKENZIE KING: Do I understand it is the intention of the government to take up any of the bills?

Mr. BENNETT: If we reach them, we shall take up the bankruptcy resolution, the second readings that are on the order paper and the committee stages of any bills we may have an opportunity to deal with. If the right hon. gentleman will intimate what department he would prefer we take up to-morrow if we reach supply, we shall be glad to suit his convenience.

Mr. MACKENZIE KING: I should like to express the appreciation of the opposition of my right hon. friend's attitude this evening.

Motion agreed to and the house adjourned at 10.55 p.m.

Tuesday, April 5, 1932

The house met at three o'clock.

AGRICULTURE COMMITTEE

Mr. M. C. SENN (Haldimand): I beg to move that the third report of the select standing committee on agriculture and colonization, presented to the house on April 1, 1932, be now concurred in. I also wish to present the evidence on which that report was based.

Motion agreed to.

PRIVILEGE—MR. McINTOSH

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): I rise to a question of privilege in connection with a report in this morning's Ottawa Citizen and Journal, dealing with my speech yesterday on the amendment of Mr. Heenan to the motion of Mr. Guthrie, to go into committee of supply. There was much confusion in the house at the time and it was almost impossible to catch the words that were exchanged between members participating in the debate. To prove this the report as found in Hansard is different from the report in the papers mentioned. The statement I wish to deal with is "an exhibition of ignorance." May I say, Mr. Speaker, these words are not found in Hansard and are therefore not officially correct.

FLOTATION OF INTERNAL LOAN

On the orders of the day:

Mr. ROBERT McKENZIE (Assiniboia): I wish to direct a question to the Minister of Finance (Mr. Rhodes) or to the Prime Minister (Mr. Bennett), based upon a news item which appears in the Regina Leader-Post of Tuesday, March 29, in which the hon. member for Regina is reported to have announced to the Regina Conservative Association that the Dominion of Canada will shortly be floating another internal loan to meet increasing demands made on the treasury.

Is that statement based on fact, and, if so, when will an announcement be made to the house? Further, what is the amount of the loan and the rate of interest?

Hon. E. N. RHODES (Minister of Finance): The matter in question has not been considered. If and when it is the house will be communicated with in due course, in accordance with prescribed form.

Mr. McKENZIE (Assiniboia): Where did he get his information?

Some hon. MEMBERS: Ask him.

BANKRUPTCY ACT AMENDMENT

Hon. HUGH GUTHRIE (Minister of Justice) moved that the house go into committee to consider the following proposed resolution.

Resolved, that it is expedient to bring in a measure to amend the Bankruptcy Act, and to provide for the administration of the act by the Minister of Finance, and for the appointment of a superintendent of bankruptcy and the payment of his expenses from a percentage of the gross receipts out of the sale of any property of the debtor; and to provide for such assistants as may be required, and for the licensing of trustees and payment of fees therefor.

Motion agreed to and the house went into committee, Mr. Hanson (York-Sunbury) in the chair.

Mr. GUTHRIE: The Bankruptcy Act, as it appears on the statute books of Canada today, was originally passed in this house in the session of 1921, and we have now had ten or eleven years' experience of the operation of that legislation. As the years have passed, many suggestions have been made in regard to amendments to the act in very many respects, and from time to time certain amendments have been made with the idea of improving the machinery which is available under the Bankruptcy Act in respect to the estates of insolvent persons. Recently the whole subject of our bankruptcy legislation was considered at a meeting of the Canadian Bar Association, and a committee of the members of that association, who are considered to be experts on the subject of our bankruptcy law, was appointed for the purpose of considering whether certain further amendments should not be made to render the act more workable and less expensive in its operation. I have had submitted to me a recommendation of the committee which was appointed by the Canadian Bar Association, and that association also submitted a draft bill on the subject. That report and the bill then submitted have been very fully investigated by the law officers of the Department of Justice, and it was decided that it would be in the interests of the whole community if certain of the proposals contained in that report were adopted as amendments to the present Bankruptcy Act. The whole draft bill as submitted has not been adopted, but in addition to that various suggestions have come to the department from every province in Canada in regard to amendments to very many of the clauses of the present act. These suggestions have come from very responsible bodies: from wholesale dealers' associations, from retail dealers' associations, from some farmers' organizations, from chartered accountants, from lawyers, from judges, and, in fact, from almost all classes of our community. I shall have placed at the disposal of a committee which I will propose shortly a very large number of these suggestions in order that they may be fully considered, because a great many of them have not been included in the measure which has been drafted pursuant to the resolution now under discussion.

Briefly, may I state that the most important provision in connection with the present resolution is the one for the appointment of a superintendent in bankruptcy. It is by reason of that proposed amendment that the matter is now brought before the house by way of resolution. It will involve some charge on the public fund, and for that reason it has to be introduced into this parliament by means of resolution.

The proposal to appoint a superintendent in bankruptcy is a new departure. It has been considered by many associations, including the Canadian Bar Association's committee, and has been very seriously recommended. It is thought that we should have some controlling power attached to the Department of Finance, as proposed in the bill, in order that all the machinery involved in the Bankruptcy Act may come within the purview of a superintendent who will have full power to deal with the trustees who are appointed in various parts of the Dominion of Canada in regard to the winding up of insolvent estates. The chief complaint which is made against the present law is the expense attendant upon its operation. Complaints come in from time to time that in many cases there is nothing left for the creditors because of the expenses of winding up, that the fees paid to trustees, to lawyers and to inspectors eat up the whole available estate so there is nothing left for the creditors.

That is a situation, of course, which we should remedy if it is possible to do so, and

it has been considered that if someone had a commanding position in control of the whole machinery, having jurisdiction throughout the whole of Canada, much of the expense now involved in the winding up of estates might be done away with. I believe that proposal has been very well received in all the trading communities of Canada. This resolution mentions the appointment of a superintendent, and the bill will provide for the appointment of a superintendent with very wide powers.

It is my intention, if this resolution passes and the bill is introduced, to submit the bill to a special committee of this house—I would suggest a fairly large committee—in order that not only the proposals contained in the bill may be considered but that other proposals from responsible bodies, corporations and individuals in every part of Canada who have submitted proposed amendments, may be considered as well. I think the time has come when we should have a very full discussion of the question of amending the Bankruptcy Act, and if the bill is given second reading I will ask that it be referred to a special committee in order that these proposals may receive the fullest study and consideration and that an effective amending bill may be submitted to the house as a result. I submit the present bill more as a basis for discussion. The government is not wedded to all the proposals it contains, though we have gone over the bill very carefully and we think the proposals contained in it will considerably improve the present measure. It may be, however, that there are other amendments just as necessary as those we have suggested in the bill, and we will welcome those suggestions from any quarter whatever.

Mr. BOURASSA: Would the minister state if it is his intention also to submit to that committee Bill No. 36?

Mr. GUTHRIE: No, I had not thought of doing that, but the proposal contained in Bill No. 36, which is a private bill and which has been on the order paper for some time, certainly can be submitted to the committee. That is one question that is almost sure to be brought up.

Mr. BOURASSA: The committee will consider that?

Mr. GUTHRIE: Yes, it will have a free hand.

Mr. LAPOINTE: Would my hon. friend indicate some of the reasons which operate in favour of the transfer of the administration of the act from the Department of Justice to the Department of Finance?

[Mr. Guthrie.]

Mr. GUTHRIE: That was the question that struck me in the first instance. This is really a financial matter; it has to do with the winding up of estates and the distribution of assets. It is not strictly a legal matter at all, and it was thought that if a superintendent were appointed he would occupy somewhat the same position as that occupied by the superintendent of insurance, for instance, who has charge of all the insurance over which the Dominion government has control, and who is an official of the Department of Finance. I believe this matter was thoroughly considered by the Canadian Bar Association committee, and they thought it would be appropriate to attach such an official, if one were appointed, to the Department of Finance rather than to the Department of Justice.

Mr. LAPOINTE: Mr. Chairman, it is utterly impossible to discuss this matter until we have before us the bill which is to be introduced by my hon. friend, so I would suggest that the committee report the resolution, and that the discussion take place either on second reading or after the committee has considered the matter.

Resolution reported, read the second time and concurred in. Mr. Guthrie thereupon moved for leave to introduce Bill No. 41, to amend the Bankruptcy Act.

Motion agreed to and bill read the first time.

Mr. SPEAKER: When shall said bill be read the second time?

Mr. GUTHRIE: If it is agreeable to the house I would ask unanimous consent to have the bill read the second time now, in order to set up the committee and have the matter considered. Therefore I move that the bill be now read a second time.

Mr. LAPOINTE: In consenting we are not committing ourselves to the principle or to anything else.

Motion agreed to and bill read the second time.

Mr. GUTHRIE: Mr. Speaker, I now move that the bill be referred to a select committee of the house, to consist of seventeen members to be hereafter named, to consider and report upon this bill.

Motion agreed to.

SUPPLY—CANADIAN CURRENCY

STATEMENT OF MR. COOTE ON MOTION OF MINISTER OF FINANCE

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee of supply.

Mr. G. G. COOTE (Macleod): Before you leave the chair, Mr. Speaker, there is a matter I should like to bring to your attention. I have been handed a copy of the Montreal Daily Star of March 1, in which there is an editorial headed "Bennett, the Vancouver Sun, and Money." In part the editorial states:

> Mr. Coote, Progressive member for Macleod, deserves the thanks of the people of Canada for introducing his resolution calling for an inquiry into Canadian money because it elicited from the Prime Minister, not only a clear exposition of the character of money, but a very definite and emphatic assurance that his government proposes to keep Canadian money firmly founded on a gold basis.
>
> In other respects Mr. Coote is not so much entitled to gratitude; for, while Mr. Bennett's analysis of the existing situation steadies public confidence in our money, Mr. Coote's figures and surmises tend to unsettle it.
>
> This is not because Mr. Coote is right and Mr. Bennett wrong. It is wholly because money is a mysterious thing to most people, and they do not know for certain that rash figures flung out by glib theorists as well as visionary theories flung out by glib figures may be most misleading in their deductions.

I think the inference is that I have been quoting rash figures, but I want now to challenge the Star to show where my figures were wrong. Rash figures were flung out glibly enough in this debate, but not by me; they were used by the Prime Minister. Some of his figures were so far from the facts as to make one wonder whether he was really serious or knew what he was talking about on that occasion.

Mr. BENNETT: Since the hon. gentleman has challenged the newspaper and I am here, while the newspaper representatives are not, will he be good enough to particularize?

Mr. COOTE: Yes, I shall particularize. First of all, I should like to say that this speech was broadcast all over Canada through the newspapers, and as Will Rogers says, the people know only what they see in the papers. I hope the newspapers of Canada will be good enough to publish the correct figures. On the occasion of which I speak the Prime Minister was discussing the causes which led to the abandonment of the gold standard by Great Britain. I should like to refer to the remarks which he made then and, if I may, I shall be glad to quote his figures. He stated that the great excess of imports over exports by Great Britain was responsible for forcing the old country off the gold standard, and he gave the figures. On page 647 of Hansard he is reported as saying:

> I think if my hon. friend will now do me the honour of thinking for a moment as to what I said he will recall it was this: The great excess of imports over exports brought about the situation. Once more I come back to my illustration. England had continuously increased her imports and they were swelling up by hundreds of millions of pounds so that at one time they had reached the colossal figure in one week of two billion pounds more imports than exports—

Mr. BENNETT: The hon. gentleman knows perfectly well, as does everyone of the public press, that the word "million" and not "billion" was meant. The Free Press, in referring to the fact, mentioned that it believed it was "million" that was meant, and I made the correction in Hansard.

Mr. COOTE: The figures I have given from the Montreal Star are the same as I read from Hansard. The Prime Minister continued:

> —ten billion dollars in our currency.

I have taken the trouble to look up the British government trade returns for the month of September. The figures are not given by weeks, but the excess of imports over exports for the whole month of September is £35,000,000. There is a tremendous difference between that and £2,000,000,000.

Mr. BENNETT: Mr. Speaker, I direct your attention to a point of order. There is standing on the order paper in the name of the hon. member for Macleod an adjourned debate that has not yet been concluded. I do not know whether he is now anticipating the discussion of that question, but I consider his remarks are not in order. The figure of £2,000,000 to which I referred will be found in Mr. Chamberlain's speech. This, however, is not a matter of importance. The point is that a discussion on this matter is not now in order.

Mr. SPEAKER: Under the heading of public bills and orders there is in the name of the hon. member who has been addressing the house a motion on the subject on which he is at present speaking. Under the rules prohibiting the anticipation of an item on the order paper he is not in order in endeavouring to discuss it on a motion to go into supply.

Mr. COOTE: Mr. Speaker, before you rule me out of order, may I say I am trying only

to correct some figures broadcast in the press. I am not attempting to renew the discussion on the resolution which is on the order paper.

Mr. BENNETT: The difficulty is this: the hon. gentleman is not in order for the reason that he has the right of reply in the debate in question and he is making a statement to correct figures which, as everyone who took the trouble to read the documents, saw were incorrect. If on a motion to go into supply each member were to rise to correct figures, we should never get anywhere. The figures he has quoted are as inaccurate as any figures could be. The figure given in Mr. Chamberlain's speech was £2,000,000. The hon. member denies that. The opportunity to discuss the matter will be found under his own resolution and he is I submit with deference, abusing the privileges of this house to say it is a question of privilege, thus enabling him to make a speech in this manner.

Mr. COOTE: With all due deference, I did not raise a question of privilege. I thought on a motion to go into supply it was the privilege of every member to correct statements that are as far wrong as the figures in question. There are other figures which I think should be corrected, which were used in the same debate. Of course, if the Prime Minister wishes to prevent me from correcting those figures, I am in your hands, Mr. Speaker, as to whether I shall be permitted to proceed.

Mr. SPEAKER: It is true on a motion to go into supply the widest latitude is allowed in debate, but at the same time the rule is explicit that a subject on the order paper cannot be anticipated either in that or in any other way, and I would ask the hon. member to refrain from debating his resolution on the order paper until it is called.

Mr. COOTE: I am not attempting to debate that resolution; at the present time I am endeavouring simply to correct some figures which have been placed upon Hansard and from which I think a wrong inference has been drawn by certain people and is liable to be drawn by others. I should like the opportunity to correct those figures. I always understood that a motion for supply was debatable on Mondays, Tuesdays and Wednesdays, so that any member who had a grievance could air it before the house, and that is all I am trying to do to-day. I shall be as brief as possible—

Mr. GUTHRIE: Mr. Speaker, have you made a ruling on this? If so, I think the hon. member should be asked to obey it.

[Mr. Coote.]

Mr. SPEAKER: I think the hon. member understood my ruling and in his continuing remarks he will not undertake to disobey it. The ruling was plain enough.

Mr. COOTE: All I say is that on that occasion the Prime Minister stated that the gold withdrawals from the Bank of England—

Mr. GUTHRIE: Order!

Mr. COOTE: —amounted in two days, Friday and Saturday, to ten billion pounds, which, of course, is more gold than there is in existence.

Mr. GUTHRIE: I should like to have this matter settled one way or the other. I submit the hon. member is in open defiance of your ruling, Mr. Speaker, and I ask that you enforce it.

Mr. COOTE: I would like simply, if I may, to correct those figures.

Mr. GUTHRIE: The hon. member has done so half a dozen times.

Mr. COOTE: Hon. Mr. Snowden in a speech in the House of Commons in Britain, dealing with this matter, indicated that the withdrawals of gold and foreign exchange during these two days amounted to £28,000,000.

Mr. GUTHRIE: I would ask for your ruling, Mr. Speaker.

Mr. SPEAKER: Would the hon. Minister of Justice please state his point?

Mr. GUTHRIE: I make the point, Mr. Speaker, that you ruled that this subject was a discussion of a motion already on the order paper and that the hon. member was out of order. He is also quoting from a previous debate in this house this session, which makes him equally out of order; and the debate has not yet concluded.

Mr. SPEAKER: It is quite out of order to refer to a previous debate in the same session on a different subject and I hope the hon. member will not transgress that rule. My ruling is that he cannot now discuss the resolution standing on the order paper in his name.

Mr. COOTE: I would be one of the last men in this house, Mr. Speaker, to dispute your ruling, but I submit that I have not discussed the motion standing in my name. I have simply attempted to correct some figures which have been placed on Hansard and which appear in the Montreal Star of the

first of March. I think that is a privilege which should be accorded any hon. member on a motion to go into supply. I thank you, Mr. Speaker, for the opportunity for correcting those figures. I have not done it as completely as I should like to have done, but I do not wish to run the risk of even seeming to challenge your ruling, Mr. Speaker.

Motion agreed to and the house went into committee of supply, Mr. Hanson (York-Sunbury) in the chair.

Mr. BENNETT: We propose to take the departments which were mentioned last evening before the adjournment of the house, and then to take up the departments which the right hon. gentleman stated they were prepared to discuss in detail. That is, we will call an item in each of the remaining departments, and then take up Mines, Interior, Immigration and Colonization, Pensions and National Health.

Mr. WOODSWORTH: Mr. Chairman, at this end of the chamber we have no idea of the business that is being transacted.

Some hon. MEMBERS: Come on up to this end.

An hon. MEMBER: Join the Tories.

Mr. WOODSWORTH: I would ask hon. members to bear in mind that there are some of us who are trying to follow the business of this house, and we cannot possibly do it.

Mr. MACKENZIE KING: May I say to the Prime Minister before we proceed to take up an item in each department—

Mr. WOODSWORTH: Mr. Chairman—

The CHAIRMAN (Mr. Hanson, York-Sunbury): The leader of the opposition has the floor. What is the matter?

Mr. WOODSWORTH: We do not know what is before the house at all.

The CHAIRMAN (Mr. Hanson, York-Sunbury): That is not my fault, it is yours.

Mr. WOODSWORTH: Mr. Chairman, I do not think that we ought to submit to impudence from the Chairman.

The CHAIRMAN (Mr. Hanson, York-Sunbury): I would ask the hon. member to take his seat.

Mr. WOODSWORTH: Mr. Chairman—

The CHAIRMAN (Mr. Hanson, York-Sunbury): The hon. gentleman will please take his seat. I would ask that the business of the house proceed, and that hon. members speak audibly, and that other hon. members preserve order so that other hon. members may hear what is going on.

Mr. MACKENZIE KING: I imagine the reason my hon. friend (Mr. Woodsworth) was unable to decide what was before the house was that there was nothing before the house at the moment. The Prime Minister has indicated that it is the desire of the government to call an item in each of the departments. I see no objection to that being done if it is going to facilitate the business of the house in permitting the government to take up on Thursday or Friday whatever particular department they may wish to take up. I should like to point out, however, to my right hon. friend that I assume the reason the rule calls for items of individual departments being taken up on the first three days of the week before they can be taken up on the other two days of the week is that it is only on the first three days of the week that there is an opportunity for hon. members, if they so desire, on going into committee of supply, to move an amendment. I assume that my right hon. friend has not in mind depriving the house in any way of its fullest opportunity to take up grievances or to move any amendment on going into supply. I do not think he has; if I thought he had I would oppose this particular course being adopted. However, I take it that his purpose is simply to facilitate the work of the government in taking up any department on a Thursday or a Friday. I imagine that other business will progress far enough to necessitate the taking up of supply on one or other of the first three days as well as on the last two of the week, so I imagine that our rights will be fully secured.

Mr. BENNETT: Mr. Chairman, the purpose of the motion was that we might be seized of all the estimates so that the convenience of members might be suited as to what departments would be considered on given days. So far as having any object in mind such as has been suggested for Mondays, Tuesdays and Wednesdays, it would mean that we would not go into supply at all on these days. It is hardly possible to conduct the business of the house and not go into supply.

Mr. STEWART (Edmonton): Unless all departments had been called.

Mr. BENNETT: No, because on Mondays, Tuesdays and Wednesdays we still have to make the motion to get the Speaker out of the chair, and then the only two days left for supply would be Thursday and Friday. When I suggested last evening that we should do it as I now indicate, it was to bring all the departments before the committee, and I went further and said that the government would consider the convenience of hon. gentlemen opposite who might desire to consider particular departments on given days. This morning the secretary of the right hon. leader of the opposition telephoned to my office and said they would be ready to take up to-day Mines, Interior, Immigration, Pensions and National Health in the order named. I am simply saying at the moment that we will call an item in each of the remaining departments, if that is acceptable, in order that all the departments will be before the committee. Certainly there is no intention of depriving this house of the widest possible latitude in discussing the shortdoings and shortcomings of the administration, and I trust that when next a vote is recorded hon. gentlemen opposite may be able to muster more than twenty-six objecting to the conduct of the government.

RAILWAYS AND CANALS

Hudson Bay railway and terminals; construction and betterments, including E. B. Jost at $2,250 (revote $630,000), $1,937,700.

Mr. POULIOT: May I ask the minister if his item will be considered by the railways and shipping committee?

Mr. MANION: No.

Mr. BEAUBIEN: Will there be plenty of opportunity to discuss this later on?

Mr. MANION: Yes, we wish only to get into the items. I shall be ready to give a complete statement when we return to this item. I was going to suggest that we pass on to another, and not consider the present one passed.

Item stands.

MINES AND GEOLOGICAL SURVEY

For organization and equipment of the explosives division under the Explosives Act (Chap. 62, R.S. 1927), $10,000.

Mr. POULIOT: I cannot say much about this item, but we will show our good will by allowing the minister to proceed with it to-day.

Item agreed to.

[Mr. C. A. Stewart.]

DEPARTMENT OF LABOUR

Conciliation and Labour Act, $39,000.

Mr. HEENAN: I presume the minister is going to let this item stand. I should like to ask the Minister of Labour if it is the intention of the government at this session to bring in a bill to provide for unemployment insurance?

Mr. McINTOSH: That is a poser.

Mr. GORDON: We shall proceed to page 21—

Mr. HEENAN: Just a minute; I do not think the minister heard my question. I am asking whether the government is going to introduce a measure at this session providing for an unemployment insurance scheme for Canada?

Mr. GORDON: Mr. Chairman, the answer is no.

Mr. WOODSWORTH: I should like to ask the minister regarding an application for a conciliation board which has been made by the federation of civic employees of the city of Winnipeg. Would the minister tell us the situation in regard to that?

Mr. GORDON: I shall be very glad to look into the matter. Of course I have not the details before me but at the earliest opportunity I shall give the hon. member the information he desires.

Mr. WOODSWORTH: May we ask that the item stand?

Mr. BENNETT: Surely.

Item stands.

DEPARTMENT OF IMMIGRATION AND COLONIZATION

Relief of distressed Canadians outside of Canada, $3,000.

Mr. GORDON: Mr. Chairman, this vote has been carried in the estimates for many years, and the money is used for the relief of Canadians outside of Canada who find themselves in distress. During the coming year I hope we will not have to use the whole of the sum voted.

Mr. SPENCER: How was the amount used last year?

Mr. GORDON: I have not the figures before me, but if the hon. member wishes the vote to stand I will supply them.

Mr. POULIOT: What is the exact meaning of the word "distressed" in the vote?

Mr. GORDON: It is the condition a person is in when he is in the condition the hon. member is often in.

Mr. POULIOT: Mr. Chairman, we have here—

Some hon. MEMBERS: Order.

Mr. POULIOT: —a dumb Minister of Labour—

Some hon. MEMBERS: Order.

Mr. POULIOT: —so much so that when—

Mr. MACKENZIE KING: Mr. Chairman, I ask that order be maintained. The minister has made a remark which all hon. members have heard, and the committee is entitled to hear the reply.

Mr. LAPOINTE: The remark by the minister was most uncalled for.

Mr. POULIOT: Mr. Chairman, I will speak very candidly. A man like the Minister of Labour, who gave us such an exhibition of humbug last week—

Some hon. MEMBERS: Order.

Mr. POULIOT: —could not answer a pertinent question about white-collared unemployed asked by a member of parliament. I do not wish to lodge any personal attack against any hon. member in this house, but when I address a question to a minister, however big he might be, I think he should answer decently.

Some hon. MEMBERS: Hear, hear.

Mr. POULIOT: It is pretty hard to redress an old tree, but I will try out his education. I have succeeded in connection with some hon. members, and I will begin on him. People suffering in this country had hoped for unemployment relief from this man but he is good only for making bold replies to hon. members and showing his gross ignorance in the House of Commons of Canada. It is time to put a stop to that, and I think the Prime Minister should tell his colleague to go away, to leave the cabinet, so that he may be replaced by a decent man who knows something about the troubles of the people. He should be replaced by a working man, and not by one who sneers at the troubles and miseries of the unemployed. He should be replaced by a man who understands the sufferings of others, and who is ready to come to their rescue in a decent way, a man who uses decent language and has decent thoughts. Decent thoughts are expressed by decent language, but we cannot expect decent language from a minister who answered so boldly my hon. friends from Shelburne-Yarmouth (Mr. Ralston) and Rimouski (Sir Eugène Fiset) and other hon. members on this side of the house who have tried to obtain from him an answer which might at least to some degree be intelligent. We are here, Mr. Chairman, to exercise our rights and privileges as members of parliament, and I do not mind what the dumb minister may say to me. He can tell me that Jean François Pouliot is a crazy fellow, that he is too curious, but he cannot say that the member for Témiscouata county, in the province of Quebec—a county composed of fifty thousand souls and over twenty thousand electors—is not entitled to receive a courteous answer from any one on the treasury benches. If the minister's manners can be tolerated in the mining districts, if the miners there are to be treated discourteously by men of his calibre, I protest at any attempt to treat members of parliament in the same way. I say once for all—

Some hon. MEMBERS: Oh, oh.

Mr. POULIOT: I should like those members who are jeering at me to be just as independent as I am to speak their will freely instead of making such silly jokes when a man is upholding his own views, and also the views of the Canadian electorate, the views of those who are weak, the views of those who are in distress, because they are not properly taken care of. I have been sent here to exercise my rights and privileges as a member of parliament. I am afraid of no man. If the minister was as thin as a consumptive I would have some regard for him, but he is a big, stout, strong fellow, and I like to fight such men. If he were as big and solid as the rock of Gibraltar—and he has some of the characteristics of rock when he treats the troubles of the unemployed so unsympathetically—if his heart is as hard as the rock of Gibraltar, I warn him—and my words are definite and final—we will teach him manners, so that when he goes into the far north the miners will say: "Oh, well, he is a gentleman! What did you do to him, did you give him a shave, a hair-cut, a massage—?"

Some hon. MEMBERS: Order.

Mr. POULIOT: "—He has been polished by His Majesty's loyal opposition in the House of Commons." That is all I have to say for the present, Mr. Chairman.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Carried.

Mr. POULIOT: Before the item is carried I should like to have an explanation from the minister as to the meaning of the word "distress."

Mr. LAPOINTE: May I ask the minister what situation a man has to be in to take advantage of that vote? There is nothing so extraordinary in the question asked by the hon. member for Témiscouata.

Mr. GORDON: If the hon. member would like to have particulars how this vote has been spent in the past I would ask that it stand so that I may get the information for him. I do not wish, Mr. Chairman, to complain too bitterly of the remarks made by the hon. member for Témiscouata (Mr. Pouliot), which during this session have been directed towards myself without any provocation, because I think on all occasions I have endeavoured to give any member, irrespective of where he stands, all information that may have been asked for. However, it has been implied that at times I suffered in silence while such remarks were directed towards me. I thought when the hon. member asked for the definition of the word "distress" he did so facetiously—if I may go that far without again arousing his wrath. I should be very regretful indeed if he took my reply as being anything more than an indulgence in the repartee in which he is so skilful himself.

Mr. POULIOT: That is all right; the thing is over now.

Mr. HEENAN: Is the government actively engaged with any other bodies in bringing young boys and men to Canada at the present time?

Mr. GORDON: I presume the hon. member will have an opportunity to discuss that subject on some other item, but if the committee prefer that I make the answer now I shall be quite willing to do so.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Shall item 58 carry?

Some hon. MEMBERS: Stand.

Some hon. MEMBERS: Carried.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Item 58 stands.

DEPARTMENT OF THE INTERIOR

Scientific institutions — expenses connected with the Dominion observatory at Ottawa, $50,000.

Expenses connected with the Dominion astrophysical observatory at Victoria, B.C., $20,600.

[The Chairman.]

Mr. STEWART (Edmonton): Would the minister explain the decrease?

Hon. T. G. MURPHY (Minister of the Interior): There have been the following reductions: Salaries, $15,362; astrophysical and geophysical research, $450; general scientific maintenance, $880; general expenses, $188; total, $16,880.

Mr. STEWART (Edmonton): That includes the ten per cent contribution; there is no reduction of the staff?

Mr. MURPHY: The reduction has been made on the basis of the present staff, eliminating seasonal and vacant positions, deleting statutory increases, and reducing all salaries by ten per cent.

Mr. DUFF: Stands.

Mr. BENNETT: Do you want it to stand? There is nothing in it.

Mr. VENIOT: All items involving salary reductions are to stand.

Mr. BENNETT: That was dealt with in the bill last night when it was given second reading.

Mr. STEWART (Edmonton): I am not asking that it stand.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Carried.

Mr. MURPHY: I have not yet completed my answer, Mr. Chairman, to the hon. member's question. I should have added: Also providing for the following changes in staff—char service, to be provided by the Department of Public Works; watchman, to be replaced by a constable from the Royal Canadian Mounted Police; one-half the salary of W. A. Dyer, junior electrical engineer, to be paid by the Department of Public Works; W. E. Jacques, astronomer, his salary to be transferred to the branch vote. That does not mean a reduction. The following are to be retired as from April 1: C. R. Westland, astronomer, grade 2; W. E. Jacques, astronomer, grade 3; G. P. Hatton, assistant, grade 1, and A. W. Grant, head clerk. These men whose names I have read have received notice of their retirement but the actual separation from the service has not occurred, and it may be that in further reorganization other changes may be made. This is not to be taken as a final readjustment.

Item agreed to.

Mines branch, for investigation of mineral resources and deposits; of the mining and metallurgical industries, and of mineral technology; wages, expenses of testing and research laboratories, investigations by Dominion Fuel Board, including salaries and all other expenses, $238,500.

Mr. STEWART (Edmonton): Will the minister give us a brief outline of the changes in staff that bring about the reduction?

Hon. W. A. GORDON (Minister of Mines): The reduction is made up partly of the ten per cent reduction and partly of the lesser amount being purchased in the way of supplies and things of that character which we think we can get along without during this year.

Mr. HEENAN: Are there any men who are not on the permanent staff but are on the prevailing rate of wages who are covered by this item?

Mr. GORDON: Yes, there are some.

Mr. HEENAN: When the Minister of Finance was discussing his resolution some time ago it was pointed out to him that there were some prevailing rate men on the canals who had already had a reduction in wages, and I gathered from him that when his bill was in committee he might take those men into consideration. I am wondering what effect it will have if some of these men whom we are now dealing with in this item have already had a reduction in wages, and if it is proposed now that they shall suffer a further ten per cent reduction.

Mr. GORDON: There has been no reduction prior to this; this is the only one.

Mr. MACKENZIE (Vancouver): Is any assistance being provided for gold mining under this particular vote?

Mr. GORDON: There is no direct monetary assistance but there is the usual assistance by way of investigation which is carried on in the mines laboratory.

Mr. STEWART (Edmonton): There is a reduction in this vote of $61,500, which is rather a respectable amount. Is it intended to reduce the staff there as well? Then ten per cent mentioned by the minister would not account for this $61,000.

Mr. GORDON: There are altogether about ninety employees, fifty being on prevailing rates, and the reduction in salaries there, together with the saving made in the purchase of supplies, accounts entirely for the total reduction.

Mr. STEWART (Edmonton): There is no intention to reduce the activities of the Fuel Board?

Mr. GORDON: No.

Mr. HEENAN: Do any of these men who are on prevailing rates earn less than $1,200 a year?

Mr. GORDON: This applies in its entirety to the labourers whose rate of pay was 50 cents an hour, less ten per cent.

Mr. HEENAN: If there are any men on prevailing rates who are earning less than $1,200 a year—and I assume there are—then unless the five per cent reduction which is to apply to the permanent service applies to them also it will not be in keeping with what apparently the minister has in mind at present. In other words, the permanent civil servants earning less than $1,200 are now being reduced, practically speaking, by five per cent instead of ten per cent, whereas, the men on prevailing rates who are probably earning much less than $1,200 will be getting a ten per cent cut. I was wondering whether the minister would consider this point. These men ought not to be given the full ten per cent reduction but should be reduced in line with those earning less than $1,200 in the permanent service.

Mr. GORDON: I shall be glad to look into the matter when the act is being applied, although the hon. gentleman will note that the prevailing rate has been established at 50 cents an hour, which probably is more than the actually prevailing rate. I am not complaining about that, however. I shall look into the question.

Mr. CAYLEY: At first glance this would appear to be a neglect of the great mining industry, because there is a reduction of $61,500 for investigation of mineral resources, deposits, and so on, and other kindred activities. I should like the minister to tell us whether this is the purpose, or whether we have been spending too much in previous years. Will he promise to give this matter further attention and provide some further encouragement later on? It seems to me a poor policy indeed to neglect this great mining industry which every year has grown to greater and greater proportions.

Mr. GORDON: I have been personally interested in the Mines department for many years, and any curtailment of the activities of that branch would receive my very reluctant consent. But in this connection I do not think

we need fear that the activities of the department will be interfered with in any way. The natural resources have been all turned over to the provinces, and of necessity that transfer included some of the activities formerly carried on in the Mines department. I have gone into the question of the operation of the department with the heads of the various branches, and I can assure the hon. member that the mining industry will not suffer by reason of what at first glance would seem to be a substantial reduction.

Mr. CAYLEY: What branch of the mining industry is under the control of the federal department? If we have no control in the provinces where is our activity carried on?

Mr. GORDON: The federal department of mines at no time exercised control over the mining industry in the various provinces, but for many years, either through the Geological Survey, or, by itself, the department has exercised a sort of jurisdiction over mining in general, by way of advice and research, either alone or in cooperation with those provinces having mining departments of their own. The mines branch is the only place in Canada where research work, such as they carry on, can be accomplished; none of the provinces have the equipment or men trained and equipped to carry on these investigations. For instance, any mine in any province having a problem can request the assistance of the mines branch and can obtain the benefit of their experience and advice in dealing with a metallurgical or other problem.

Mr. CAYLEY: Where is this research work carried on, here in Ottawa?

Mr. GORDON: Yes.

Mr. CAYLEY: Could the minister say what results have been obtained from the tests which have been made with regard to the coal deposits in northern Ontario?

Mr. GORDON: Investigations have been carried on in connection with the northern Ontario lignite field. These investigations and tests are still proceeding, and I am advised that there has been no certain conclusion drawn as to the possible commercial value of these deposits, or as to whether they may serve any certain locality in the near vicinity. I presume that information will come only when the tests have been completed.

Mr. STEWART (Edmonton): I presume the laboratories are not as busy as they were formerly, but I should like to ask the minister if he thinks he will have sufficient funds to meet all the demands for investigations and tests in connection with minerals generally, now that he has very well equipped laboratories for the purpose.

Mr. GORDON: I know the hon. member, who was formerly Minister of Mines, takes a deep interest in this subject, and I can assure him that the vote will take care of any investigations that may be reasonably expected. One reason why the vote remains about the same, or is slightly reduced, while the laboratories are capable of taking care of the greater activity of the mining industry, is the excellence of the laboratories themselves, which were started some years ago and which were brought up-to-date quite recently. I can assure the hon. member that the laboratories are probably as good as will be found on this continent.

Mr. NEILL: Would the minister be kind enough to advise the committee whether any investigations were made by the fuel board during the past year, or whether any are in contemplation for the coming year, in connection with extending the experiments which were made in order to demonstrate the economic possibilities of pulverized coal? I recall that the late government installed a pulverized coal unit in the furnaces which heat this building. Last spring I inspected that unit, and from my conversation with the employees I gathered that it had been very successful both in reducing the amount of fuel used and in the saving of money. There was a good opportunity for comparison because some of the units used ordinary coal which was shovelled in by hand.

The third point on which I would like information is this: Having gone to considerable expense to demonstrate the usefulness of that system, the minister might give it more publicity by publishing a pamphlet which would be available to the trade generally, because after all, while a good purpose was served by demonstrating the commercial possibilities of this system, it must be given publicity in order to encourage people to install these pulverized coal units, which will help to provide a market for our coal.

Mr. GORDON: At the request of the British Columbia government quite elaborate tests were made in connection with pulverized fuel, and a report was prepared and forwarded to the British Columbia government. I have looked over the report but I frankly confess that it is so highly technical that I was unable to follow it beyond the narrative descriptions it contained. The results were not

altogether disappointing, but they were not as hopeful as they might have been with respect to the coal sent here for test. I assume that the British Columbia government will publish the report if they believe the tests show that the use of that sort of coal is practicable. I do not believe the department has under consideration, and certainly the officials have not discussed the matter with me, the publication of the report here.

Mr. NEILL: That was not quite what I had in mind. I am aware of that exceedingly technical report which I think no one but a highly trained engineer could understand. That report was sent to the British Columbia government, and I understand they forwarded it to the various mine owners who had furnished the coal, so that if they wished they could make use of the information obtained. That report had more to do with the heat units, the amount of moisture and matters of that kind. What I had in mind was the demonstration which the department put into effect in the plant by which these buildings are heated, where they installed a pulverized coal unit whereby the fuel is pulverized and fed to the boiler in the usual pulverized coal method which I think is called the screw method. The results were highly satisfactory. While I obtained them personally, so to speak, I was not able to give them that publicity which I think they deserve. It was a practical demonstration, which was very important to people interested and which should have been made public throughout Canada, that it was highly successful to use pulverized coal in a heating unit of that description. If the minister would authorize the preparation of a brief pamphlet giving information such as I obtained from that demonstration, it would not cost very much; it would be very interesting; no doubt the press would publish it and it would be of great benefit to the coal industry as a whole. That is what I had in mind.

Mr. GORDON: I believe that was a test made here for the Department of Public Works.

Mr. NEILL: And it is still in operation.

Mr. GORDON: Yes. I would be glad to take up the question of putting the result in pamphlet form for the benefit of others who want to use that type of fuel.

Mr. STEWART (Edmonton): In the item for publications I notice a reduction of $25,000. Can the department afford to make this reduction? When I was in the department we found at the end of the year we were invariably short of reports and had to increase the amount in order to meet the demand. Has the demand fallen off?

Mr. GORDON: Last year we recovered part of the deficit that had accumulated in previous years. I am well aware of the difficulty that my predecessor had in procuring money for this vote. Hon. members sometimes do not realize the importance of it; I know I do, but I believe this appropriation will be sufficient for this year. Some of the publications that are not so important, I admit with some reluctance, will have to be held back until next year, but those reports which are very important to the mineral industry will be taken care of under this appropriation.

Item agreed to.

Dominion of Canada assay office—for maintenance of assay office, Vancouver, B.C., $16,000.

Mr. MACKENZIE (Vancouver): What are the details of the reduction in the amount for the Vancouver assay office?

Mr. GORDON: The Vancouver assay office, in case some hon. members are not familiar with its history, was established some years ago, in fact after the opening up of the Yukon, for the purpose of being able to purchase at Vancouver, Yukon and coast gold, thereby keeping the gold in Vancouver instead of having it shipped to Seattle. Beginning late last year, I think, the larger depositors, the mines up on the coast like the Pioneer and the Premier, found it more convenient to ship their gold to the Mint. I am not just sure by what method these shipments would be made, but they would be either by registered mail or more probably by express. At any rate, I inquired as to the reason for the falling off in the work of the assay office. There was no necessity for making four assay tests of shipments and in this way the expense was greatly reduced because each assay is expensive. That accounts in the main for the difference in cost.

Mr. REID: Is a charge made for any assaying done?

Mr. GORDON: Yes; it is a very nominal charge. It is covered by an old order in council and it has always been handled in that way. The assay office, I may say, does not lose very much, but it does not break even. It exists for the convenience of the small operator.

Mr. CAYLEY: Where is the gold now produced in Canada marketed? Is it marketed only in Ottawa?

Mr. GORDON: I am afraid I shall have to refer the member to the Minister of Finance. The gold, of course, comes from the Canadian gold mines to the Canadian Mint. I am afraid I am unable to give the hon. member the information he desires as to what occurs after it reaches there.

Mr. MACKENZIE (Vancouver): It all comes here?

Mr. GORDON: Yes.

Mr. MACKENZIE (Vancouver): Is any special premium given now for gold production?

Mr. GORDON: If the hon. member means the difference in exchange, I think he will agree with me the word "premium" is a misnomer with respect to that. The same practice is being followed as was inaugurated when the licence system in connection with the export of gold was adopted, namely, the three day average.

Item agreed to.

Geological Survey—For explorations, surveys and investigations, wages of explorers, topographers and others, $142,500.

For publication of English and French editions of reports, maps, illustrations, etc., $42,000.

For maintenance of offices and museum, expenses of special exhibitions pertaining to natural resources, purchase of instruments, chemicals, books of reference, miscellaneous assistance and contingencies, $42,500.

For museum equipment, $8,000.

For purchase of specimens, $1,000.—Total, $236,000.

Mr. STEWART (Edmonton): I see a reduction of $47,500 under the item of explorations, surveys and investigations, wages of explorers, topographers and others. Does that mean that certain of the parties will be cut down this year?

Mr. GORDON: Yes, the parties will be cut down this year. That again I recommended with a good deal of reluctance, but I think with the rearrangement in the field, the projects of the Geological Survey will not be seriously interfered with. The officials of the department have, I believe, rearranged the survey parties in such a way that the mining industry will be served, I admit not as well as it might otherwise have been, but for this year I think there is a justification for cutting down the survey parties.

[Mr. Gordon.]

Mr. STEWART (Edmonton): How many parties is my hon. friend sending into the Northwest Territories?

Mr. GORDON: I presume the hon. member has reference mainly to Great Bear lake?

Mr. STEWART (Edmonton): Yes.

Mr. GORDON: Six. So that I may not be misunderstood when I say the Great Bear Lake district, that would cover Dismal lake, Coppermine and East and West.

Mr. STEWART (Edmonton): I frankly confess I do not like to see that reduction in the item for the publication of English and French editions of reports, maps, illustrations and so forth, I know there is a tremendous demand for that sort of thing. I question very much whether the minister can meet the demand if this appropriation is reduced by $28,000 which is rather a substantial reduction in an item of that nature.

Mr. GORDON: I cannot agree with what the hon. member has said. I recognize that the department will have to look after every dollar, and to cover the requirements we may have to mimeograph some of the reports in order to make them available to the industry. The money is simply not available this year, and we have to do the best we can.

Mr. MACKENZIE KING: Good training for the whole lot.

Mr. STEWART (Edmonton): This is, after all, a species of advertising. The mines branch of the federal government is engaged chiefly in research and in mapping the results of the geological parties that go out. I know how important a work it is, and in the past I have had some little controversy with my leader in order to squeeze a little more money out of the government than they were sometimes prepared to give me. I know that every dollar voted for this purpose was used up, and frequently we were unable to meet the demand for maps and publications from parties interested, from people who were going to invest money in the mining enterprises of Canada. That is the reason I lodge this protest now. I think it is false economy to cut this vote because, after all, this is the method by which the activities of the department are brought to the knowledge of the public, who thereby become interested in the mineral possibilities of Canada.

Mr. CAYLEY: There is an item for purchase of specimens; what are those specimens?

Mr. GORDON: That vote is provided for the purchase of mineral specimens, unique specimens of ores for museums, an educational exhibit for those interested in the mineral industry.

Mr. CAYLEY: Is it possible to get collections of these specimens from the department?

Mr. GORDON: We have departmental publications giving details of the contents of the cabinets of mineral specimens, and the price of the cabinet. These cabinets are sold to various public institutions for the purpose of disclosing the mineral resources of Canada The cabinets are accompanied by an index showing where the mineral samples were found and what they are. The cabinets are provided at a cost of about $35 or $40 for the most expensive.

Mr. CAYLEY: Containing about how many specimens?

Mr. GORDON: Over 140.

Mr. CAYLEY: All named and classified?

Mr. GORDON: Yes. Before I resume my seat may I say with respect to publications that last year we were able to overtake some, in fact almost all, of the delayed publications. While there may be a few publications that may be delayed this year by reason of the lack of money, I feel certain that by getting out some cheaper publications for the time being and dropping probably some of the more expensive maps and pictures of rocks and occurrences, we shall be able to get through this year without the industry suffering.

Mr. ELLIOTT: What organization does the work of geting out these publications?

Mr. GORDON: The material for the mines publications is prepared in the mines branch by the engineers, mineralogists and chemists and others interested in the subject in hand. So far as the geological survey publications are concerned, the material is the result of the work of the exploratory parties that go out each year into known areas. When they come in with their field books the data is reviewed and ultimately the material appears in the publications.

Mr. ELLIOTT: But what organization does the actual printing?

Mr. GORDON: The printing of all these reports is done at the printing bureau.

Item agreed to.

Mines — salaries, $541,224; contingencies, $15,000.

Mr. MACKENZIE KING: Mr. Chairman, I do not want to object to the passing of this item, but there may be some members of the house who may be under the impression that the salary items will not be touched at this stage, and perhaps the item should stand.

Mr. GORDON: I am quite agreeable to that.

Item stands.

Grant to the Imperial Institute, $9,733.33.

Mr. MACKENZIE (Vancouver): Would the minister explain this item?

Mr. GORDON: This is a yearly grant made to the Imperial Institute under an agreement with the British government. It followed as a result of the Imperial conference of 1923. Great Britain and a number of the dominions make a contribution to this institute.

Mr. IRVINE: Would the minister say what the institute does?

Mr. GORDON: It carries on the work of investigation of the minerals of the empire, gathering and coordinating and disclosing to all units of the empire information as to the minerals found in different parts of the empire.

Mr. CASGRAIN: Have there been any benefits to Canada from this expenditure?

Mr. GORDON: I cannot answer that categorically. It is an investigation which in my view is highly important. The boundaries of no country are run according to the minerals enclosed within it, and I think the Imperial Institute is doing a highly important work in letting all parts of the empire know where within the empire they can get the minerals which they have not within their own borders.

Mr. STEWART (Edmonton): It is doing a very fine work.

Mr. GORDON: That is my view.

Mr. CASGRAIN: It is a lot of money to spend if we are not getting any benefit.

Mr. CAYLEY: Does each dominion vote a specific sum for this purpose?

Mr. GORDON: Yes. Those who subscribed varying amounts in the year 1923, when the agreement was reached were the Imperial government, the Canadian government, the Australian government, the Indian

government and the governments of other parts of the empire. If hon. members do not agree that it is a worthy cause, I am afraid we are bound to go ahead, anyway.

Mr. CAYLEY: What is the total amount under the agreement?

Mr. GORDON: I have not the agreement before me, but I am told by the assistant deputy the amount required each year is £25,000 of which we subscribe the amount set out in this item.

Mr. CAYLEY: Those collections are kept in London, England?

Mr. GORDON: Yes, they are forwarded to London, England, so that the work may be carried on.

Mr. CAYLEY: To Canada House?

Mr. GORDON: To the Imperial Institute building in London. I am afraid I do not know the exact location of it.

Item agreed to.

To provide for payments in connection with movements of coal under conditions prescribed by the governor in council and for the cost of administration thereof, $1,100,000.

Mr. STEWART (Edmonton): I notice that this year there is a considerable reduction in that item. Where does the minister purpose to curtail the expenditure? We understand of course that this money is spent for subventions for moving coal.

Mr. GORDON: As a result of the falling off in the consumption of coal throughout Canada—and I presume the same applies to the United States and other countries—the Dominion Fuel Board have come to the conclusion they will not require any more money than named in this vote.

Mr. STEWART (Edmonton): There is no reduction in the subventions?

Mr. GORDON: No, there is an increase.

Mr. STEWART (Edmonton): The subventions are identical with those of last year, both east and west?

Mr. GORDON: Yes.

Mr. GARDINER: How much of the vote was used last year?

Mr. GORDON: I do not appear to have the total amount before me, but I will be very pleased to supply the information to the hon. member.

Mr. GARDINER: Has the minister the different services for which the amounts were spent? Are they under separate headings?

[Mr. Gordon.]

Mr. GORDON: I have the figures for nine months of the last fiscal year. Alberta coal to Ontario cost $50,247.48; Alberta and Crowsnest pass coal to Manitoba, and to some extent to western Ontario, cost $211,764.80; Saskatchewan coal to Manitoba and western Ontario cost $26,943.70; British Columbia export and bunker coal cost $17,795; rail and water borne coal from Nova Scotia to Ontario and Quebec cost $96,208.60. Then, all rail coal from Nova Scotia, including a small portion from New Brunswick, cost $140,000.

Mr. STEWART (Edmonton): What is the last item?

Mr. GORDON: The amount was $96,208.60. New Brunswick coal moved for the three years from 1928 to 1930 inclusive amounted to only 595 tons, a comparatively small amount.

Mr. STEWART (Edmonton): The minister mentioned the sum of $140,000. Was that straight movement by rail from Nova Scotia?

Mr. GORDON: I think the hon. member is referring to the all rail movement from Nova Scotia.

Mr. STEWART (Edmonton): Yes.

Mr. GORDON: The sum of $140,000 is not quite accurate. That estimate is made, because the figures were not in when the information was prepared for me.

Mr. HEENAN: It strikes me that the reduction mentioned by the minister is not encouraging to the miners; it would seem that the government is anticipating less business in the coming year than there was in the last. True, the minister has said the fuel board has come to the conclusion that a smaller quantity of coal will be moved in the coming year. In view of that, and in view of the promises made by the Prime Minister during the election campaign of 1930 to the effect that he would bring into operation a national fuel policy which would increase the sale and the use of Canadian coal, I must say there is a very poor outlook. This year in the discussion of estimates we hear the government say that they do not anticipate as much coal will be sold during the coming year as in the last. I was wondering if the minister could tell us whether or not the government has a national fuel policy which will give some encouragement to the miners.

Mr. GORDON: This item is not reduced because the government anticipates the use of less coal during the coming year than was used in the last, but because of the experience gained from our operations last year. The

movement of coal east and west from the Canadian fields into the central part of Canada is something of a very difficult and intricate nature. Anyone who has given the matter consideration—and I presume the hon. member has—is familiar with that fact. It is not because we do not anticipate using more coal next year than we did last that this item is reduced, but because of the experience gained last year after the subventions were increased. We found last year that we did not need the appropriation we anticipated we would need. I can say however that the use of Canadian coal is increasing. The western coal operators, after the adjustment had been made early in 1931, fully anticipated they would be able to displace foreign fuels in their natural market, which of course, extends as far east as Manitoba. Their anticipations were in large measure realized. But in common with all of us, they did not anticipate the falling off that took place in the consumption of coal. With the added assistance by way of subvention, if the normal consumption had taken place, the western coal operators and the miners would not be facing their present difficulties. That is the problem presently under discussion. It applies with almost equal force to Nova Scotia. The problem, I assume, confronted my predecessor as it confronts me to-day, of getting coal as far as the central zone in order that nobody shall bear a greater burden than he should be called upon to bear with respect to the marketing of our coal. The whole subject is again under review in the light of present conditions, and I hope we shall be able to find a solution to enable our coal mines to carry on until the consumption of coal becomes normal again.

Mr. ELLIOTT: Did the minister give the total amount expended under this item last year?

Mr. GORDON: No, the figures I quoted were to the end of December last year. The figures from December onward I have not before me, but if any hon. member would like those figures I shall be glad to make them available as soon as I get them.

Mr. ELLIOTT: I take it that the figures given relate to the amount expended on the actual moving of coal up to December 31?

Mr. GORDON: So far as the Dominion government is concerned, the subvention, but not the total cost of the movement.

Mr. ELLIOTT: Quite so. That was $628,000 approximately?

Mr. GORDON: That is approximately correct. It is an estimate and may be subject to some slight revision. I shall be very glad to have the statement audited and compared and furnish the hon. member with a copy.

Mr. ELLIOTT: What other items make up the expenditure?

Mr. GORDON: It will be noticed that the figures I read from this compilation cover just the nine-month period. To complete the statement the figures for the winter period from December until the end of this fiscal year would have to be added. Those figures I have not got, but if they were added to those I have given they would disclose that the amount asked for now probably will about meet the requirements.

Mr. ELLIOTT: All the $628,000 was expended up to December 31?

Mr. GORDON: There is one large item estimated, but the other figures are accurate.

Mr. HEENAN: In view of the fact that there is a strike in progress in the Alberta coal fields, may I ask if the minister is making any effort to bring the conflicting parties together?

Mr. GORDON: Just so soon as I heard of the impending labour trouble in some of the mines of southern Alberta and the Crowsnest pass I got in touch with the premier of Alberta and asked him to keep me advised as to what was going on. I assured him that the services of the federal Labour department were at his disposal, and that we would gladly cooperate with him to have the dispute amicably adjusted. A number of communications have passed between the premier of Alberta and myself, and as late as yesterday I wired him with respect to a suggestion that he had made a week or ten days ago for the appointment of a commission to study the coal industry generally in his province. With that suggestion I have no quarrel; his judgment may be the best in that regard. I can assure the hon. member that I am keeping in close touch with the situation, and that the department is quite willing and ready to offer its services in order to bring about an amicable arrangement.

Mr. YOUNG: The minister told us that $628,000 was paid on account of this subvention. How many tons of coal was that paid on?

Mr. GORDON: I have not added up the figures, and I trust I shall not be held too strictly to account if they are not absolutely

accurate. These are the figures for the nine months to the end of 1931: Alberta to Ontario 22,634 tons; Alberta and British Columbia—that is Crowsnest pass—to Manitoba and western Ontario, 180,248 tons; Saskatchewan to Manitoba and western Ontario, 60,221 tons; British Columbia, export and bunker coal, 53,561 tons; Nova Scotia and New Brunswick to Quebec and Ontario by rail and water, 332,159 tons; all rail—this is an estimate—95,000 tons. If I might revert to the question asked by the hon. member for Edmonton (Mr. Stewart) the estimated item was $140,000. Those figures will give the amount of coal moved under the subvention.

Mr. YOUNG: That makes less than 1,000,000 tons, and a portion of that coal would be moved anyway. How much of it is new business to Canadian mines?

Mr. GORDON: I have not those figures before me, but as regards the territory served I think I should be safe in saying that all coal moved into western Ontario would be new business for the mines.

Mr. YOUNG: That would be 180,000 tons.

Mr. GORDON: I know that in the Manitoba market the western mines have captured the major portion of the trade. I do not want to be extravagant in my figures, but I should say they have now eighty per cent of that market.

Mr. STEWART (Edmonton): When the subsidy was increased it was estimated that the mountain mines in British Columbia and Alberta would supply 200,000 tons which came in from the United States to the Winnipeg market and as far west as Portage. I do not know whether that hope has been realized. I am referring to bituminous coal.

Mr. YOUNG: What I wish to find out is what this policy is costing us. As nearly as I can gather from the minister's statement, we have displaced a quarter of a million tons of American coal at a cost of two-thirds of a million dollars. That involves the loss of a certain amount of revenue which was derived from the coal that came in from the United States. How much is that?

Mr. GORDON: I have not the figures.

Mr. YOUNG: There are several things which it is necessary for us to know before we can arrive at a conclusion, and I suggest that the item be allowed to stand until the minister can tell us how much we have paid out in subventions, how much new business has been brought to Canadian mines, how many men have been employed, what wages they have received, what revenue we have lost through the non-importation of American coal, together with all other factors that might help to throw some light on the question. We want to know definitely what the policy is costing us.

Mr. RALSTON: What rates of subvention are used in estimating the amount that will be necessary for next year? I have endeavoured to look up the rates but I have not had an opportunity to verify them. As I recollect however, last year there was a two dollar maximum on all coal railed from Nova Scotia to Montreal. There was a two dollar maximum contribution to Montreal, and the forwarding rate into Quebec points was one-fifth of a cent per ton mile with a maximum of seventy-five cents, and a one-third cent ton mile with a maximum of $1.50 into Ontario. Is there any increase in these rates of subvention included in the amount for which the minister is now asking the committee?

Mr. GORDON: No; these estimates are based on the subventions as indicated by the hon. member.

Mr. RALSTON: I wish to direct the attention of the minister particularly to this matter and to ask him whether he can give me the grounds for the announcement made in Nova Scotia. On March 13, just before the vote was taken among the miners on the question whether the acceptance of the so-called Duncan report should be approved, a message was broadcast from stations in Glace Bay and Charlottetown to the effect that the sale of over a million more tons of Nova Scotia coal was guaranteed, and down in Nova Scotia a great many newspapers as a result of the visit of Premier Harrington and his colleagues, made an announcement accordingly. The New Glasgow News said:

> Premier Bennett promised that upper Canada this year would absorb at least a million tons of Nova Scotia coal.

The Sydney Post said:

> Arrangements will be made by the Dominion government for absorption of an additional million tons of soft coal, which will be sold to consumers in Ontario and Quebec.

The Amherst News said:

> A definite pledge was given by Mr. Bennett that his government would undertake to distribute 1,000,000 tons of Nova Scotia coal in the province of Ontario.

The Glace Bay Gazette, published in the centre of the mining district of Cape Breton, said:

The marketing of this huge coal order becomes effective almost at once. People experienced in the coal trade would not have dared to predict a week ago that so favourable a turn would come so soon.

The Halifax Herald, quoting Premier Harrington, said:

"The increase in tonnage from the Nova Scotia mines this year would amount to a minimum of an additional one million tons."

And the Sydney Post, once more, had this to say:

The pits on the north side will mine their quota of an additional million tons assured by sales in Ontario and Quebec.

Does my hon. friend know of anything in connection with the subventions on coal which would justify such a statement?

Mr. GORDON: The plight in which the miners of Nova Scotia at present find themselves, through various contributing causes and factors, with which I have no doubt the hon. member is conversant, was brought to the attention of the government by the premier of that province. The seriousness of the situation would impress itself upon anybody, and the matter was immediately taken into consideration. The railways and large consumers of American coal were interviewed, and others were interviewed without delay in an endeavour to find additional markets for Nova Scotia coal in order to relieve the situation of the miners there. I think I can safely say to the hon. member that the negotiations will very shortly, in fact I hope within the course of a very few days, come to a successful conclusion. The matter is under the careful consideration of the government, who are acting in harmony with the railroads and keeping in touch with those interested in Nova Scotia, and we hope that these newspaper reports will be fully justified in fact. That is my hope, and I believe that the hon. member will join with me in that hope.

Mr. RALSTON: I can assure the hon. gentleman that I most heartily join him in that hope, but I want facts on which to base the hope. I understand my hon. friend to say that so far as subventions are concerned there is no increase proposed in the vote here which would justify the hope that any more coal will be moved under these subventions. Is that so or not?

Mr. GORDON: That is quite true; this vote does not take care of extra subventions If, however, arrangements can be made to find a market for the coal, and if the government feels that it is wise and desirable to see that the coal is moved into the consuming market—and I think my hon. friend will agree with me that the government will do everything in its power to have this done—then ways and means can be found to bring about that end.

Mr. RALSTON: The market is there. The railways will use the coal; there is no doubt about that: the railways will be a market for the coal. The question is to get sufficient subvention to induce the railways to take it.

Mr. GORDON: How much subvention would the hon. gentleman suggest would be necessary for the railways to use an extra million tons of coal?

Mr. RALSTON: I should think my hon. friend would know that better than I would; he has the benefit of the assistance of the fuel board, which is doing the figuring. I say the railways provide a very substantial market; I know they will not use one million tons, but apparently my hon. friend has adopted that figure. Then I ask him what markets he proposes to utilize in order to reach that figure, because I want to impress upon him that it is no use to provide for one million tons on the one hand and take away half a million tons on the other because of the falling off in consumption. The Nova Scotia coal fields need to sell a million tons more, and that cannot be done if on one hand you provide for a million tons and, on the other, you have to meet a falling off in consumption.

I want to ask my hon. friend, who says that the government is exploring the matter now, what markets he expects to find for a million tons of Nova Scotia coal.

Mr. GORDON: Every effort is being made to find markets for a million tons or more of Nova Scotia coal. I trust my hon. friend will not blame this government if the consumption of coal falls off; that is something we cannot control, but we do recognize that it is desirable to find a market for that much Nova Scotia coal. That effort is being made by the government, and I hope it will be successful very shortly.

Mr. STEWART (Edmonton): Does the subvention now extend to railway coal?

Mr. GORDON: I think railway coal is all moved on the o.c.s. rate.

Mr. STEWART (Edmonton): The subvention has not heretofore applied to the movement of railway coal?

Mr. GORDON: No.

Mr. McKENZIE (Assiniboia): I should like to ask the minister a question with regard to the subvention on lignite coal from Saskatchewan destined for the Manitoba market. Last year the original rate of fifty cents per ton was changed to a mileage rate of one-seventh cent per mile. That, we felt, rather worked against the coal of that area reaching the Manitoba market, because the difference amounted to ten cents a ton. I think possibly that had a little to do with the trouble in the Estevan coal fields last September. I pointed out the unfairness of this change on two or three occasions last year, and I should like to know if the minister has any intention of giving that coal area a little better treatment by way of subvention than was given last year.

Mr. GORDON: I am told that mines such as the Truax-Traer can compete in the Manitoba market against coal from Alberta and the Crowsnest. However, I will go into the matter again, and if we are able to discover a discrepancy that will be taken into consideration.

Mr. McKENZIE (Assiniboia): The minister seems to gauge the activities of that coal field by the activities of the Truax-Traer mine. That is only one company, though it is a large one. They do surface mining, a stripping process, which is not really coal mining as we know it. Most of the mines do deep seam mining, and of course that is a little more expensive. We do feel that something of an injustice was done that area last year by reducing the subvention ten cents a ton, which gave the Alberta fields that much of a preference in the Manitoba market. I hope the minister will take this into his serious consideration and see if we cannot have the subvention restored to where it was before last year.

Mr. SPEAKMAN: I had intended to ask one or two questions somewhat along the lines asked by the hon. member for Weyburn, but I understand that the item is to stand so that this information may be brought down, so I will let my questions stand also. I hope the minister will realize that the matter is very important, because after all this item embodies the fuel policy of the government, which is a matter of very great interest to everyone, particularly to those who represent coal areas. We desire to find out not only the coal policy itself but also the increased business that has been brought about by the application of this policy. We realize that coal consumption may fall off, so that perhaps it is not an absolutely fair criterion of the success of the policy, but surely it would be fair to judge it by the increased percentage of business handled by Canadian mines in preference to mines in other countries. Keeping that in mind, I hope the minister will bring down all the information necessary to enable us to find out very definitely just how successful the policy has been, what increased business has been brought about by it, and what has been the cost to the country.

Mr. GORDON: I shall be very glad to get that information and bring it down, and to let this item stand in the meantime. Of course I am not unmindful of the importance of having the cost of these coal movements made clear; it is an important and intricate subject, on which I should like to have a full, free and frank discussion in order to have the benefit of the views of all hon. members.

Mr. RALSTON: I know the minister appreciates what my hon. friend just said, that this is a most important matter in the east and the west, and I am sure the minister will welcome anything which will afford the slightest possibility of the solution of a problem which has proved extremely vexing for quite a long time. The policy of subventions was inaugurated three or four years ago, and I should like to ask my hon. friend if his department has explored the market which could be opened to Nova Scotia coal if a subvention were granted which would be sufficient to justify the Canadian Pacific Railway using Nova Scotia coal as far west as Belleville, let us say, and the Canadian National Railways using it as far west as Prescott. I understand that is within what my hon. friend calls the central fuel area, which is called by other people the acute fuel area.

Mr. GORDON: My hon. friend means the amount of coal that would be used if Canadian coal entirely displaced United States coal on the railways? That has been investigated with respect to both railways as far west as Trenton, Prescott, Belleville, Brockville and other towns; in fact, the Dominion Fuel Board has investigated the differentials in laid down costs as far as North Bay and Cochrane. They have considered this question just as far as there was any possible hope of projecting the use of Nova Scotia coal westward, with a view to collecting all the information possible as to where the breaking point would come, beyond which no government could go in making up the differential in the laid down costs. I am sure anyone who has given study to this matter will conclude that there is a point beyond which the difference in cost is so great as to preclude the use of eastern coal. That applies to both western and eastern coal, but that information is at present under

review by the Dominion Fuel Board, and of course what their investigations will disclose will determine how much this government may have to pay as between the laid down costs in order that a million tons more or less may be given in new business to the Nova Scotia mines. I am hopeful that it will be a million tons and probably more.

Mr. RALSTON: My hon. friend cannot tell us the amount just on those two items for railways alone?

Mr. GORDON: I should like to be able to satisfy the hon. member in that regard, but I have not the figures before me. They are very intricate and I did not come prepared with that information.

Mr. SPEAKMAN: While that point is under consideration, and in order to suggest another line which the minister might have in mind when this item again comes before the committee, it may be remembered that when last year we were discussing another matter, that of unemployment relief, I brought up the same question in connection with the Brazeau collieries in Alberta, whose sole market is the Canadian National Railways. We realized then that no financial assistance is given in respect to coal used by the railways themselves, and in this particular area and others of a similar type the railways are the sole market. On that occasion I made the suggestion that if we were spending money for the relief of unemployment, there was probably no other way in which we would furnish a greater amount of employment for as small an expenditure than by paying, within a reasonable area, the difference to the railways between the cost of using Canadian coal and that of using United States coal. That has not been tried out, so far as I understand, and I know in my own area—and I will discuss this question further when the item comes up again—the issue is a live one, because the coal contracts are small and a great number of men are out of work. Therefore, as regards coal from the Brazeau and other collieries in Alberta and eastern Canada where the different mines have for their market railway lines exclusively or partially, but particularly such railways as favour steam coal alone, where the railway itself is the sole market and where at the present time coal from the United States is largely used, I hope the minister will keep in mind the question of the possibility of paying the difference in cost between the two classes of coal, Canadian and United States, to those railways in order to increase the area within which Canadian coal is used, thus supplying work to our own mines.

Mr. RALSTON: Has the minister had any computation made as to the approximate amount it would cost to provide a market for another million tons of coal in the area that he has in mind as being possibly feasible?

Mr. GORDON: Not a computation that I would care to disclose, because my research into the matter has not gone far enough for me to make any pronouncement. I think it would not be wise at the moment for me to make one, because I might have to change my viewpoint, and to give out a statement of that kind at the present time, when the matter is under consideration, might lead only to false hopes on the one hand or agreeable hopes on the other. I prefer to have the matter stand until the situation has been further investigated, and as I said a few moments ago, I hope a conclusion that will in a large measure go towards correcting the acute situation in Nova Scotia will be reached.

Mr. STEWART (Edmonton): I should like to join with the hon. member for Red Deer in pressing upon the attention of the minister the necessity, if the railways are to be included, of considering the movement in western Canada. If this is to be considered, it is a new departure. In the past we have been able to persuade the railways to use western coal further east on their lines than was economical from their standpoint. They could have purchased coal cheaper for the use of trains running out of Winnipeg and yet they used our western coal as far east as Minaki and Kenora. If a subvention is to be applied to the movement of eastern coal for railway use, my hon. friend will of necessity have to take into consideration the movement of western coal. I just want to warn him that from my past experience he is stepping into a pretty expensive undertaking if he attempts to move coal for railway uses. I am frank in saying that so far I do not believe we can justify, from the standpoint of the amount of new coal that has been consumed in the Canadian market, the expenditure in which we have been engaged for some years past in using our own coal for domestic purposes. I always felt and still feel it was a gesture in the right direction to encourage the use of Canadian coal in fields which it might not reach under existing rate schedules. But when one begins to talk about coal for railway use, one must consider seriously whether the expenditure is warranted. If, however, this is to be done by the government for the eastern movement, then of necessity the same must apply as well to the western movement.

Mr. COOTE: Did I understand the minister correctly when he said that the Premier of Alberta had suggested the desirability of having a commission investigate the coal industry in that province?

Mr. GORDON: Yes. As the hon. member probably knows, some six or seven years ago there was in Alberta a commission that made an exhaustive report on the coal industry there generally. I do not know whether that report has come under his eye, but I have had occasion to look into it. That suggestion was made by the premier of Alberta, and I take it that he deemed the appointment of a commissioner would be helpful. I am not questioning his judgment in that regard.

Mr. COOTE: I should like to urge upon the minister the desirability of appointing such a commission; in fact, I have already advocated it in the house three or four times. In order to interest the minister in the need of a thorough investigation into the industry, I should like to point out the situation as it was brought to my attention when I was in that district shortly before coming to Ottawa. Most of the mines in the Crowsnest pass district operated about 117 or 120 days last year, so that a few men got that number of days' work. The majority of the men received only ninety to one hundred days' work.

Mr. GORDON: To what mines does the hon. member refer?

Mr. COOTE: Mines at Blairmore and Bellevue; and possibly Coleman is about in the same position. Some of the men got only sixty days' work. They would be mostly the day men who would receive $4.50 a day. The total wages of a man who got sixty days' work would be $270, and he must have some relief in addition to that. The man who got ninety days' work at $4.50 a day would receive only $405. Further, all those men have as the minister knows, certain deductions from their day's pay for locker fee, union fee, doctor's fee, coal and rent. Their condition is really very bad. Some of the contract men, of course, are doing better, but even they in many cases are not making enough to keep themselves and their families, and perhaps the majority of them are family men. I am not blaming the minister for this condition, which is a difficult one, but if he had a royal commission investigate carefully the situation there, it might help the government to formulate some policy that would lead to better conditions in that area. I hope the minister will view this proposal of the premier of Alberta in a very sympathetic manner, because I am sure that there is great need for it.

Mr. GORDON: I can assure the hon. member that I replied to the Premier of Alberta and assured him that if he set up such a commission the department and the Dominion Fuel Board would facilitate the inquiry and give him all the data at our disposal. I do not know what is in the mind of the Premier of Alberta at the present moment, whether he intends to pursue that course or not.

Item stands.

DEPARTMENT OF THE INTERIOR

Topographical Surveys — Topographical and aerial surveys and maps for the general development and administration of the country, including hydroelectric, forested, mineralized, agricultural and industrial areas; expenses of Geographic Board of Canada; centralization of all aerial photographic operations in cooperation with the Royal Canadian Air Force; traverse of northern rivers and lakes for administration of Northwest Territories; legal surveys of all remaining Dominion lands; surveys for administration of Dominion parks; certifying of standard measures; plotting and printing of maps and plans, etc., $133,500.

Amount required to pay the fees of the board of examiners for D.L.S. of the secretary and of the sub-examiners and for travelling expenses, stationery, printing, rent of room and furniture, etc. (the fees of Messrs. F. H. Peters, W. M. Tobey and Harry Parry, members of the board, and J. A. Cote, secretary, are to be paid out of this sum), $1,800.

Mr. STEWART (Edmonton): Would the minister give us a short statement with respect to the services that are being discontinued, permitting a reduction of $116,500?

Hon. T. G. MURPHY (Minister of the Interior): In a general way no services under this vote are being discontinued. The reduction simply means that the work in general is being curtailed in this branch of the service.

Mr. COOTE: How many men are being kept on in this branch of topographical surveys?

Mr. MURPHY: The number is 102.

Mr. COOTE: Are the salaries of these men covered by this vote?

Mr. MURPHY: The salaries of fifty, amounting to $115,128, are covered by the civil government vote, and the salaries of the other 52 are payable under the other vote. They amount to $117,517.50.

Mr. BROWN: I notice that this item covers surveys for administration of Dominion parks. If it is in order to discuss under this vote the Riding Mountain park, I would ask what is the minister's policy with regard to that park. I understand that it has been suggested that the west end of the area that is now reserved for a park should be taken out of the park area. I know that that was the desire of many people in the west. What is the minister's attitude in regard to that?

Mr. MURPHY: I think that question would more properly come up under the item of parks.

Mr. BEAUBIEN: What number is that item in the estimates?

Mr. MURPHY: It will be found on page 52, Dominion lands, and so forth.

Mr. BROWN: I will take it up then.

Mr. COOTE: I should like to know the reduction in the personnel of this department.

Mr. MURPHY: In the topographical surveys branch?

Mr. COOTE: The reduction covered by this vote.

Mr. MURPHY: The number is sixteen.

Mr. COOTE: Under this vote?

Mr. MURPHY: Yes.

Mr. COOTE: Are any survey parties being sent out this year?

Mr. MURPHY: In reply to my hon. friend's previous question, I should have said that the total reduction is sixteen. Part of the salaries will be paid out of this vote and part out of the civil government vote. But the total number I gave is correct, sixteen, as far as that particular branch is concerned. Arrangements have been made to send out some survey parties this year.

Mr. COOTE: Under the topographical surveys or land surveys? I see that they are both mentioned in this vote.

Mr. MURPHY: There will be parties sent out by the topographical surveys branch. That is the item we are now discussing. There may also be parties sent out by geodetic surveys.

Mr. BEAUBIEN: Now that the natural resources have been transferred to the western provinces, is this department doing any topographical work in Manitoba and Saskatchewan?

Mr. MURPHY: The topographical surveys branch makes surveys all over the dominion. Possibly the hon. member has reference to subdivisional surveys. That work was formerly done by this branch, but it is now a function of the provincial governments and is carried on by them.

Mr. CAYLEY: I see that vote 186 provides $142,500 for geological surveys, and it includes the wages of explorers, topographers and others. Do these overlap in any way, or are they two different branches altogether?

Mr. MURPHY: These surveys do not in any degree conflict with one another. The geological survey, which the hon. member mentioned, is a function of the Department of Mines, and is carried out by that department for the purpose of discovering minerals. That is entirely different from the survey made by this branch, which concerns itself mainly with the mapping of various areas, showing the physical characteristics of the country, such as forestry, water powers and general contours.

Mr. CAYLEY: But the maps used are just the same, are they not?

Mr. MURPHY: Certain maps are made by the Department of Mines of areas in which a special survey has been carried on. The work of that department however in no way conflicts with or overlaps the work carried on by the topographical branch of the Department of the Interior.

Item agreed to.

Geodetic Survey of Canada—control operations—triangulation, geodetic astronomy, base lines, precise levelling and investigations—for the charting of sea coasts, water areas and forming a basis for the production of all survey maps and for pursuing investigations of the earth's crust, $139,000.

To recoup the Temiskaming and Northern Ontario Railway Commission in connection with their claim for injury to John Hedin, $240.

Mr. STEWART (Edmonton): Is there some reduction in the staff of geodetic survey parties in the field?

Mr. MURPHY: There has been a reduction of two in this branch of the department.

Mr. STEWART (Edmonton): A reduction of two in the staff?

Mr. MURPHY: Yes.

Mr. STEWART (Edmonton): Has there been any reduction in the parties engaged in the field service?

Mr. MURPHY: Yes. There is provision for a survey party in northern Quebec which will be engaged on the completion of the final

link of fundamental control in one of the large circuits of triangulation. There will also be a party in eastern Quebec. This operation consists of the inspection of the permanent ground marks with identification of the intersected works, and so on.

Mr. TOTZKE: Quite clear.

An hon. MEMBER: As mud.

Mr. MURPHY: There is a party in Ontario carrying out levelling operations in the area extending between lake Ontario and Algonquin park, in Northumberland, Peterborough, Haliburton and Hastings counties. Also another party in Ontario will establish fundamental bench marks in certain cities and towns.

Mr. BRADETTE: Is there any money to be spent on the geodetic survey of the coastal lines of James bay?

Mr. MURPHY: Not this year.

Mr. STEWART (Edmonton): Is the St. Lawrence river basin near completion?

Mr. MURPHY: I am informed that considerable work is to be done in the St. Lawrence basin near the strait of Belle Isle, but no provision has been made to carry on this work this year.

Mr. SPEAKMAN: Under this item I believe we must consider aerial photographic work carried on by the Royal Canadian Air Force. From the diminution in the item I would judge the work has been largely reduced. Is it the intention in the coming year to carry on much aerial photographic work?

Mr. MURPHY: There will be a certain amount of aerial photographic work done this year, but not as much as in previous years. I think the hon. member has in mind the making of maps from aerial photography.

Mr. SPEAKMAN: I am informed by an hon. member that the item to which I am directing my remarks was passed while I was not in the chamber.

Mr. MURPHY: Yes, the question would more properly have been asked under the previous item.

Mr. SPEAKMAN: I was called from the chamber for a moment.

Item agreed to.

International Boundaries—expenses connected with the survey and demarcation of international boundaries, $28,000.

Mr. BROWN: What part of the boundary lines remains to be marked?

[Mr. Murphy.]

Mr. MURPHY: The marking of boundary lines is practically completed, but those markings must be maintained. To use a colloquial expression, the lines must be kept in shape.

Mr. STEWART (Edmonton): This is a matter in connection with which both the United States and Canada are interested, and in the past each country has voted similar amounts for this work. Has any arrangement been made for a reduction in the vote to be passed by the American congress?

Mr. MURPHY: I have no information on that point.

Item agreed to.

Government of the Yukon Territory—salaries and expenses connected with the administration of the territory, including surveys, $57,500.

Grant to Yukon council for local purposes, the construction and maintenance of roads, and to provide for the payment of bounty on wolves and coyotes under the provisions of an ordinance enacted by the commissioner in council, the sum to be paid not to exceed $20 each for wolves and $10 each for coyotes, the pelts of the animals on which bounty is paid to be surrendered to the government. The proceeds of the sale of such pelts is to be placed to the credit of the consolidated revenue fund of Canada, $105,000.

Mr. REID: Is the bounty on coyotes payable only to the Yukon territory?

Mr. MURPHY: On this particular item the bounty is paid only on wolves destroyed in that territory.

Mr. REID: Is that the only place where a bounty is paid?

Mr. MURPHY: No. A bounty is also paid on wolves destroyed in the Northwest Territories, Mackenzie and Keewatin.

Item agreed to.

Government of the Northwest Territories—salaries and expenses connected with the administration of the territories, including investigation work, schools, hospitals, relief to destitute, maintenance of prisoners and insane patients, administration of the Northwest Game Act and the Wood buffalo park, etc., $127,560.

Arctic explorations and administration of Eskimo affairs, salaries and contingencies, equipment and supplies; relief to destitute; schools; hospitals and medical services; maintenance of prisoners and insane patients; education; travelling expenses, etc., $82,560.

Expenses connected with the maintenance of reindeer station at Kittigazuit, N.W.T., $20,000.

Mr. STEWART (Edmonton): In what services does the minister propose to save $35,000? The population of that part of the country is growing all the time.

Mr. MURPHY: Possibly I can best answer the hon. member's question by giving a comparative statement of expenditures in 1932-33 and 1931-32 as follows:

	1932-33	1931-32
Schools	$ 3,200	$ 3,200
Relief to destitute, maintenance of insane patients and prisoners, orphan and destitute children	10,540	10,540
Hospital and medical services	22,058	21,530
Printing, stationery and contingencies	4,500	4,500
Mackenzie district administration and Northwest Game Act	70,656	98,200
Salaries, Ottawa	12,636	21,225
Administration of vital statistics ordinance	400	500
Administration of the fur export tax ordinance	800	1,000
Unforeseen expenses	2,770	2,770

The totals are: 1932-33, $127,560; 1931-32, $163,465. There is an increase in one item of $528, with total decreases of $36,433, or a net decrease of $35,905.

Mr. STEWART (Edmonton): The decreases are on the administration largely, $8,000 Ottawa and $27,000 in the general vote.

Mr. MURPHY: In the Mackenzie district administration, yes.

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

After Recess

The house resumed at eight o'clock.

SUPPLY

DEPARTMENT OF THE INTERIOR

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

Government of the Northwest Territories—salaries and expenses connected with the administration of the territories, including investigation work, schools, hospitals, relief to destitute, maintenance of prisoners and insane patients, administration of the Northwest Game Act and the Wood buffalo park, etc., $127,560.

Arctic explorations and administration of Eskimo affairs, salaries and contingencies, equipment and supplies; relief to destitute; schools; hospitals and medical services; maintenance of prisoners and insane patients; education, travelling expenses, etc., $82,560.

Expenses connected with the maintenance of reindeer station at Kittigazuit, Northwest Territories, $20,000.

Mr. STEWART (Edmonton): Will the minister explain the reduction in the vote as it affects arctic explorations and administration of Eskimo affairs?

Mr. MURPHY: I will itemize the vote under the different headings, giving the estimates for 1932-33 with those of 1932. These are the items:

	1932-33	1931-32	Decrease	Increase
Salaries, living allowances and retiring leave	$20,146	$46,510	$26,364	———
Medical officers, field expenses, etc.	8,500	13,150	4,650	———
Travelling expenses, doctors, nurses and investigators	2,500	3,000	500	———
Hospital grants, Eskimo	3,000	3,000	———	———
Eskimo provincial and municipal hospital	1,000	1,000	———	———
Dispensers	———	360	360	———
Eskimo schools	7,250	5,250	———	$2,000
Annual Arctic expedition	23,300	47,100	23,800	———
Relief to destitute and sick Eskimos	15,000	23,000	8,000	———
Unforeseen expenses	1,864	2,110	246	———

Summarized, this shows for the year 1932-33, $82,560, and for the year 1931-32, $144,480, there being one increase of $2,000 with a total decrease of $63,920, or a net decrease of $61,920.

Mr. STEWART (Edmonton): I did not hear what the minister said as to grants to schools. Is there any reduction in school grants?

Mr. MURPHY: There is an increase in the grant to Eskimo schools of $2,000.

Mr. STEWART (Edmonton): Hospitals remain the same?

Mr. MURPHY: Yes.

Mr. DONNELLY: Do I understand the minister to say that last year there was a grant of $23,000 for the care of Indians as compared with a grant this year of $15,000? If so, there will be $8,000 less to take care of the sick and destitute amongst the Eskimos.

Mr. MURPHY: Yes.

Mr. DONNELLY: Why does the minister assume that none of them will be sick this year?

Mr. MURPHY: I am informed that fortunately the health of the Eskimos this year is much better, and we estimate that we shall require that amount less than we spent last year.

Mr. STEWART (Edmonton): In the first item the minister gave there is a decrease of

$26,000. Has there been any reduction in staff to account for that decrease?

Mr. MURPHY: Eight officials have been retired. These are the details:

	Salary	Living allowance
One exploration and development officer	$5,120	$3,000
One investigator, grade 3	3,305	——
One investigator, grade 1	2,400	——
One botanist transferred to Reindeer vote	2,520	——
One assistant botanist transferred to Reindeer vote	2,040	——
One medical officer, grade 1 at Chesterfield, not required (Proportion of salary not required, $760.)	2,520	——
One assistant engineer transferred to Geodetic survey	2,700	——

This gives a total of $24,365, from which there will be deducted ten per cent, leaving a net amount of $26,529, from which should be subtracted the adjustment of Doctor Livingstone's statutory increase of $30, making a net reduction of $26,499.

Mr. STEWART (Edmonton): Is it intended to send a ship up to the north this year?

Mr. MURPHY: Yes. Supplies will be sent, but the expedition that has been sent in previous years will not go out this year. In other words, we are not chartering a steamship but have made arrangements with the Hudson Bay Company to carry our supplies. That explains the difference.

Mr. STEWART (Edmonton): Is it estimated that $20,000 will establish the reindeer quarters? Have the reindeer arrived at permanent quarters yet?

Mr. MURPHY: No. Last year when this item was under discussion it was expected that the reindeer would arrive during this present fiscal year but the progress has been much slower than was anticipated, and it is doubtful if they will reach their home on the Kittigazuit peninsula during the coming fiscal year 1932-33. Provision has not been made in this item for the upkeep of the herd; the $20,000 is simply to prepare the quarters.

Mr. STEWART (Edmonton): The minister can give no estimate of what the total number of reindeer will be when they do arrive?

Mr. MURPHY: No.

Mr. LUCAS: I understand some time ago the department shipped a number of buffalo from Wainwright park up into the northern areas. Has the minister any information as to how these buffalo are doing in that northern territory?

Mr. MURPHY: A number of buffalo were sent from Wainwright park to Wood Buffalo park, which is situated partly in northern Alberta and partly in the territories. I think the total number sent out amounts to between six and seven thousand head. These animals are looked after by permanent wardens but I have no definite information as to the increase which has taken place. Recently a man was sent up into this territory to make a special report on the condition of the herd. A certain number of old bulls and barren cows are slaughtered each year for the relief of destitute in the Northwest Territories.

Mr. TOTZKE: The amount of the vote last year was $106,400; was all that expended?

Mr. MURPHY: There remains unexpended some $82,500.

Item agreed to.

Dominion lands, parks, etc. — Dominion lands, seed grain, mining lands and ordnance, admiralty and public lands, salaries and expenses, etc., $90,600.

Mr. BROWN: Will the minister now answer the question I asked when the previous item was before the committee?

Mr. MURPHY: That particular item will be reached a little later on, when it can be discussed.

Mr. STEWART (Edmonton): Has the hydrometric survey and other work of the kind been turned over to the provincial government?

Mr. MURPHY: These services are still being carried on by the bureau.

Mr. TOTZKE: What expenditures were made last year in connection with Dominion lands?

Mr. MURPHY: The expenditures under this item were incurred in the administration of Dominion lands, seed grain, mining lands and ordnance, admiralty and public lands and salaries and expenses.

Mr. TOTZKE: Will the minister specify the expenditures in connection with Dominion lands?

Mr. MURPHY: The estimates for 1932-33 are made up as follows: Winnipeg, salary of J. F. Drew, $1,920, and of stenographer, $1,380; Regina, salary of J. A. Reed, $3,360 and salary

of stenographer $1,380; Edmonton, salary of A. Norguay, $3,360 and of stenographer, $1,620; Revelstoke, salary of T. J. Wadman, $2,880; Calgary, salary of Colonel F. M. Steele, $3,780; Fort Smith, salary of Joseph Milner, $4,260 and of M. Meikle, $4,560. This makes a total of $28,500, which with the ten per cent decrease leaves a net total of $25,650.

Mr. TOTZKE: What are the present duties of these men?

Mr. MURPHY: These officers are retained for the purpose of making adjustments on seed grain and fodder relief loans which were made, I believe in 1914 and 1915, many of which still remain outstanding.

Mr. TOTZKE: They have really nothing to do with Dominion lands?

Mr. MURPHY: The item is simply listed under this vote.

Mr. DONNELLY: Is this seed grain a former loan?

Mr. MURPHY: As I explained a moment ago, adjustments are being made of loans made in 1914 and 1915, many of which have not been repaid.

Mr. DONNELLY: What has been the average collection each year for the last five years as compared with the cost of administration?

Mr. MURPHY: I am sorry I have not the detailed figures before me. I am informed that the total amount advanced in the years mentioned was between $14,000,000 and $15,000,000, of which something under $5,000,000 remains unpaid. We have only one man in each province to deal with these loans.

Mr. DONNELLY: Are sufficient collections being made to cover the administration expenses?

Mr. MURPHY: Two or three years ago the collections more than covered the cost of administration, but at the present time I doubt if we are doing much more than to collect enough to pay these costs.

Mr. BROWN: Is any of that money outstanding in Manitoba?

Mr. MURPHY: Yes.

Mr. BRADETTE: Mr. Chairman, I should like to take up a matter which although it does not come within any of these votes is one within the jurisdiction of the Department of the Interior—I refer to the islands in James bay. The people in my section of the country do not seem to understand that these islands belong to the federal government, and I ask the minister if he has received any requests from the Ontario government to have these islands come under provincial jurisdiction. Only two years ago the natural resources were returned to the western provinces and the people in my section of the country are firmly convinced that any lands within the boundaries of James bay should come within the jurisdiction of either the government of Ontario or of Quebec. Has the minister received any correspondence, or has anything been done by the provincial governments or the federal government in the matter of giving these islands to Quebec and Ontario?

Mr. MURPHY: If my memory serves me correctly, I have had only one communication in regard to the jurisdiction under which these islands would come, and that is concerning one situated in Hudson bay, not in James bay. Inquiries were instituted and it was ascertained that that particular island came under the jurisdiction of Ontario rather than that of the dominion. But at the moment I recall no communication being received by the department in regard to the general question of jurisdiction and administration of those islands in James bay.

Mr. BRADETTE: I would infer from the reply of the minister that any islands in the Hudson bay inland sea come under the jurisdiction of Ontario. This will naturally imply that all the islands in James bay belong to the provinces of Quebec and Ontario. I have in mind at the present time the Belcher islands, part of which, some people from Quebec contend, belong to that province. Naturally we in Ontario contend that the whole of them belong to our province. I bring up this question to emphasize the importance of knowing definitely as soon as possible under whose jurisdiction these islands come, so that there may be no delay in any improvements or work, whether mineral development or otherwise, that may be done there. The federal government and the authorities of the provinces interested, that is, Manitoba, Ontario and Quebec, should get together in the near future so as to decide the question of jurisdiction. Since the beginning of the session I have received several letters of application for certain rights, whether mining or otherwise, in some of the islands in James bay, and so far I have not been able to get any satisfactory reply from the provincial authorities. I believe at one time the minister was good enough to grant me a personal interview in which he told me the applications came under his jurisdiction. If, according to what he said a few moments ago,

the islands in Hudson bay are really under the jurisdiction of the province of Ontario, I believe in my section of the country and even in Toronto they are unacquainted with that fact, and the government owes it to the country to make a definite statement in the matter. Their natural resources have all been given to the western provinces, and I maintain that all those islands in that great inland sea should be given to the three provinces I have mentioned. I am making this plea very earnestly on account of certain conflicts over mining and colonization laws and so forth, because if we have complication of jurisdiction, it is bound to hurt the development of that section of the country.

Mr. MURPHY: I speak subject to correction, and I have not in my possession the legal opinion in respect to this matter, but as I understand it, the islands in James bay and Hudson bay proper are under the jurisdiction of the dominion parliament; that is, they belong to the crown in the right of the dominion. When I spoke about an island in Hudson bay being under the jurisdiction of the province of Ontario, I had reference to an island which is situated in the mouth of one of the rivers. An island so situated comes under the jurisdiction of the province if the shore line on either side of the mouth of the river would, if extended, include that island in the province. I do not wish the hon. member to understand that in illustrating my point a moment ago by mentioning this particular island, I was saying that all islands in Hudson bay were under the jurisdiction of the provinces. My understanding is exactly the opposite. Any island which is situated within the bay proper, either James or Hudson bay, would belong to the crown in the right of the dominion. As I say, I speak subject to correction.

Mr. BRADETTE: I am indeed thankful to the minister for the useful information he has given, but again I ask that in the near future a conference be held between the provinces interested and the federal government to decide the matter. I know from actual fact that thousands, yes, hundreds of thousands of dollars would be invested to-day in some of those James bay islands if the exact jurisdiction were known. The fact, as the minister has mentioned, that islands in the estuaries of some of the rivers are under the jurisdiction of the provinces, while islands in the Hudson and James bays are under the jurisdiction of the federal government, is the reason that people contemplating development work are afraid to go ahead with it, being in a state of uncertainty as to the matter of jurisdiction. In making this plea I have the support of the Minister of Labour, who comes from my section of the country and is familiar with the situation. I ask the government very earnestly to hand over at the earliest possible moment to the jurisdiction of the provincial governments interested, namely, Quebec, Ontario and Manitoba, all islands within Hudson and James bays. As I have pointed out before as regards Belcher islands alone, some people maintain that part of them should belong to Quebec and part to Ontario, while naturally, as a northern Ontario man, I maintain that the whole of them should belong to Ontario. I want to impress upon the committee the fact that there are complications of this nature, and as it was an easy matter for the federal government to return the natural resources to the three western provinces, it should be easy for them to give to the provinces I have mentioned, those islands within certain degrees of latitude within Hudson and James bays. This would help wonderfully in the development of the mineral and other natural resources that require capital for development; I shall not include agriculture at the present time. This question should be settled satisfactorily so that the people may know exactly where to file their applications. When there are legal complications between the provincial and the federal authorities people naturally are not willing to spend their money. The mining laws of the dominion differ in some respects from those of Ontario, and on that score alone I would urge upon the minister the necessity of calling such a conference. I know the government in the near future will receive communications from people interested in the development of northern Ontario, strongly urging that this matter be settled at an early date.

Mr. MURPHY: I shall be very glad to give consideration to the representations made by the hon. member.

Mr. SPEAKMAN: In respect of the first item dealing with seed grain relief, I understand in those cases the liens are taken on the land itself. I have two or three questions to ask in that regard and I think I can put them together. The minister can consider and answer them after I have finished. First, do those seed grain liens, nominally at least, still carry interest? Second, is there any large number of these old seed grain liens within that part of Saskatchewan which has suffered from crop failures for some years and is now receiving one hundred per cent relief? Third,

if so, which of these two liens—the old seed grain lien upon the land or the new lien upon the crop in connection with which notes have been given payable to the Saskatchewan Relief Commission—has priority? Perhaps I need not ask the fourth question, for an estimate by the minister as to the value of either the old liens in that district or of the new notes recently signed. But the first three questions are serious.

Mr. MURPHY: In reply to the first question, interest is being charged on the old liens. In reply to the second, whether some of these liens are still existent in the southern part of Saskatchewan in the dried out areas, although I cannot answer categorically, but speaking from my experience in dealing with the matter I would say that these liens are attached to lands in all parts of Saskatchewan as well as to lands in Manitoba and Alberta. As to the question which lien would have priority, the old seed grain which was put on the land or the new lien in Saskatchewan which was put on the crop, I would say, although I am not a lawyer, that the old lien would come first because it was put on the land. That lien would have priority over all other charges against that land, especially in those cases where relief was granted fifty per cent by the dominion and fifty per cent by the province. Although the legal members of the house may be in a better position to answer that question than I am, my own opinion is that the first lien would have priority.

Mr. BEAUBIEN: May I ask the minister if he is right in his contention that there is still some money owing by the farmers of Manitoba to the federal government on account of seed grain advances in 1914-15? I am under the impression that Manitoba does not owe anything to the federal government for that advance of seed grain. Am I right in that or not?

Mr. MURPHY: I think the hon. member is quite correct when he states that there is nothing owing to the Dominion government for seed grain advances in the year 1914-15. But I did not understand him to refer particularly to 1914-15 when he asked his first question. There is money owing to the Dominion government for seed grain and fodder relief in the province of Manitoba, but not for 1914-15. It goes back as far as the year 1876, when there was a grasshopper plague in Manitoba, and some of the liens given at that time have not yet been discharged.

Mr. BEAUBIEN: I cannot believe that the minister is serious in saying that the farmers of Manitoba—I am speaking of the farmers—owe anything to the federal government on account of seed grain relief in 1876. Was not that all wiped out some years ago?

Mr. MURPHY: No, it was not.

Mr. BEAUBIEN: Does the government intend to try to collect that money?

Mr. BROWN: Is that what Mr. Drew is doing, trying to collect money advanced in 1876?

Mr. MURPHY: He is trying not only to collect but also to adjust.

Mr. BROWN: I think this is a most ridiculous situation which has been presented to the house. Imagine keeping a man in Winnipeg to collect money advanced to settlers back in the year 1876, most of whom are probably dead by this time. Before this item passes we ought to get details of these advances; the committee should be told just how much of this money has been collected in recent years and what Mr. Drew is doing in Manitoba in that regard. Really it is a most ridiculous situation.

Mr. MURPHY: It is a situation which has been before this house practically every year since then.

Mr. BROWN: But it has not been presented as plainly as now.

Mr. MURPHY: I was not minister in previous years. As I said, Mr. Drew is not simply endeavouring to collect, because I am quite as well aware as the hon. member of the inability of the farmers of Manitoba to pay under present conditions. Mr. Drew is endeavouring to adjust these matters. Recommendations come forward at frequent intervals from Mr. Drew, with whom is associated an official of the provincial government, and in a great many instances his recommendations have been that these seed grain liens be cancelled. But they are not cancelled until the matter has been investigated and the recommendation forwarded by the commissioner.

Mr. BEAUBIEN: What commissioner?

Mr. MURPHY: Mr. Drew, with whom is associated an official of the provincial government, by the name, I think, of Mr. Gyles.

Mr. BEAUBIEN: They adjust these seed advances?

Mr. MURPHY: Yes, seed grain and fodder relief.

Mr. BROWN: The only seed grain involved in this discussion goes back as far as 1876. Am I not right in that?

Mr. MURPHY: I do not think that is quite correct.

Mr. BROWN: That was the statement we got from the minister.

Mr. MURPHY: No, some go back as far as 1876, but advances for seed grain and fodder relief have also been made in the intervening years. I cannot give the hon. member the details, as I have not got them here.

Mr. BROWN: I think we had better have the details. The very fact that the minister has mentioned 1876 indicates that it is a situation that needs to be investigated. Those old liens, of course, should be cancelled at once. The item had better stand until we get the details.

Mr. MURPHY: If it will suit the purpose of the hon. member I shall be very glad to furnish him with a statement showing the advances that have been made over the different years and the amount collected.

Mr. VALLANCE: For the information of the hon. member for Red Deer, who asked the minister which of the two liens would have priority, may I say that the liens that are being taken to-day for seed grain advanced in Saskatchewan are not being placed against the land, but against the crop, due on August 14, 1932.

Mr. SPEAKMAN: I am quite familiar with that fact, but I wondered whether a lien against the land itself might also include a lien on the crop grown on the land, in which case, of course, it would take priority.

Mr. BEAUBIEN: Do I understand that if we allow this item to pass the minister will bring down the information we desire to have about Manitoba?

Mr. MURPHY: Certainly, I shall be very glad to do so.

Mr. BEAUBIEN: We would like to know when these advances for seed grain and fodder were made to the farmers of Manitoba, the amount advanced and the amount repaid, together with the amount of the interest.

Mr. BROWN: I would like to know the amount repaid year by year.

Mr. BEAUBIEN: And how much damage the grasshoppers did in 1876, if the minister has that information.

[Mr. Murphy.]

Mr. DONNELLY: I notice that this item speaks of admiralty and public lands. What is that?

Mr. MURPHY: The Department of the Interior, as the hon. member is aware, has for many years administered the dominion lands. From time to time ordnance lands have been turned over to the Department of the Interior from the Department of National Defence, when that department no longer had use for the lands for their particular purposes.

Item agreed to.

To assist in publishing the transactions of the Association of Dominion Land Surveyors, $125.

Mr. SANDERSON: What is this amount voted for?

Mr. DONNELLY: Will the minister explain the term "publishing the transactions"?

Mr. MURPHY: The sum of $125 is asked for the purpose of assisting the Association of Dominion Land Surveyors in the publishing of their annual report. Not only will this grant aid the association in the publication of papers read at their annual meeting, but it will enable them to employ the services of a shorthand reporter so that the discussion following the reading of papers may be available. The report contains information of great value to the general public, as well as to officers in the government whose duties are connected with surveying and engineering.

Item agreed to.

Advancement of forest conservation in Canada, $254,000.

Mr. LUCAS: Does the administration of the nursery at Indian Head come under this vote?

Mr. MURPHY: The nurseries at Indian Head and Sutherland are now administered by the Department of Agriculture.

Mr. VALLANCE: Owing to the fact that this is an item involving an expenditure of $254,000 I should like to know in what provinces and to what extent the advancement of forest conservation is being carried out?

Mr. MURPHY: This item covers not only the advancement of forest conservation but also the total contribution made by the Dominion government towards the technical research into forest products. The description of this vote is hardly accurate; it covers the total amount set aside by parliament for the purpose of carrying on technical investigations into forestry matters throughout the dominion.

Mr. VALLANCE: Does reforestation come under this item?

Mr. MURPHY: No.

Mr. TOTZKE: Why is there such a large decrease in the vote?

Mr. MURPHY: The decrease comes about simply through the general policy of economy.

Mr. TOTZKE: In what way have decreases been made?

Mr. MURPHY: The forestry department maintain three laboratories, one at Ottawa, one at Montreal, and one at Vancouver. The services carried on in Ottawa are of a purely technical nature, dealing with such subjects as wood utilization, the study of the application of fire retardants to wood or wood material, and the increasing uses to which wood may be put. In the Montreal laboratory the work is solely for the purpose of assisting Canadian pulp and paper industries. The one in Vancouver concerns itself with the utilization of British Columbia woods. In addition to that the general services rendered by the forestry department are made available so that cooperative action may be taken with the provinces in compiling information as to the forest resources of Canada.

Mr. TOTZKE: Is there a decrease in all these services?

Mr. MURPHY: There is a decrease in all these activities. Although the services are being maintained, less service is being given in the department.

Mr. SPEAKMAN: I understood the minister to say that the work of reforestation, the management of forestry branches at different points and the practice of providing seedlings and young trees to farmers had been taken over by the Department of Agriculture?

Mr. MURPHY: I said that the nursery stations at Indian Head and Sutherland were being administered by the Department of Agriculture. There are other stations, however, of a different nature, where different problems in forestry are studied, and which are still administered by the forestry department.

Mr. SPEAKMAN: That was my understanding. I understand that the practice of distributing seedlings and young trees is now carried on by the Department of Agriculture, but the nurseries of another type where technical work is carried on and where a study is made of the utilization of different woods are still under the jurisdiction of the Department of the Interior.

Mr. MURPHY: That is correct.

Mr. SPEAKMAN: I think I am voicing the opinion of all farmers when I say we were greatly relieved when we learned that the work of reforestation and of handling nurseries and the distribution of seedlings and young trees throughout the farms on the bald prairies had not been done away with. About a year ago we were shocked to learn that there was a possibility of this service being discontinued, and we are now delighted to know that it is still being carried on. Coming from a prairie province, the minister will be as familiar as the rest of us with the splendid work done in the past by the department he now heads, and the great loss which would be suffered if that work were discontinued.

Mr. DONNELLY: I understood the minister to say that this grant covers several activities, such as forestry research, fire protection and so on. How is the money allocated to each activity?

Mr. MURPHY: The estimates for 1932-33 are as follows: Head office administration, $25,290; research and investigation, $29,352; Petawawa experimental station, $20,033; research and investigations, $15,532; prairie district, main and suboffices, $8,893; research and investigations, $21,374; British Columbia, district offices, research and investigations, $15,353; forest product laboratories at Ottawa, $60,080; Montreal, $32,589; Vancouver, $25,504; giving a total as shown in the item of $254,000.

Mr. VALLANCE: Does not the aerial forest patrol come under this item, or has the service been discontinued?

Mr. MURPHY: Now that each province has control of its own resources the forest patrol and fire protection service is a provincial activity.

Mr. VALLANCE: Did the forest patrol come under this item before, and would it represent the $146,000 decrease?

Mr. MURPHY: Before the natural resources passed to the western provinces the Dominion government did maintain the patrol service under this item. But I do not desire the hon. member to be under any misunderstanding, for of course he realizes that the natural resources were transferred in 1930, and therefore there was nothing included in the estimates last session for fire patrol work.

Mr. DONNELLY: Does this grant include an appropriation for advertising of fire protection?

Mr. MURPHY: No, there is nothing in this item for that purpose.

Mr. STEWART (Edmonton): I am doubtful, Mr. Chairman, of the advisability of the government making the change they did with respect to the forestry stations at Indian Head and Sutherland. In the opinion of the minister will this service be performed more cheaply than it was done under the forestry department by men who were especially trained for that kind of work? Everyone knows that the forestry patrol stations under the Department of the Interior had the approbation of every individual interested in tree planting. Now that this work is relegated to a secondary position I have very grave doubts as to the wisdom of the transfer. I am bound to say that I think the tree planting stations would be much better administered under the Department of the Interior.

Mr. MURPHY: I am sorry I have no actual figures to give the committee as to the savings which it was hoped might be made by the transfer of these stations from the Department of the Interior to the Department of Agriculture; but doubtless the Minister of Agriculture (Mr. Weir) will be able to give the information, or I shall be pleased to obtain it for the hon. member.

Mr. STEWART (Edmonton): How many inspectors were dispensed with by reason of the transfer?

Mr. MURPHY: Speaking from memory, I think we had nine inspectors doing this inspectional work.

Mr. STEWART (Edmonton): Not continuously?

Mr. MURPHY: No; at periods of the year some of their work was carried on at the forestry stations. I think I am correct in stating that three of those men have been retained by the Department of Agriculture for inspectional purposes.

Mr. VALLANCE: In reply to the last question I asked him the minister stated that his department did not now maintain an aerial forestry patrol service. In what manner are the national parks patrolled?

Mr. MURPHY: The patrolling is done for us by the national defence department.

Mr. NICHOLSON: With regard to the forests products laboratory, I note $60,000 is provided for Ottawa; $32,000 for Montreal; and $25,000 for Vancouver. Would it not be better to have one central forest products laboratory so that effective work might be done in testing woods and finding new uses to which they can be put? One of the serious handicaps that the forest products business of this country labours under is that through lack of such research work we find it difficult to meet world competition. For example, in the British market we cannot meet competition from Norway and Sweden and other European countries because up to the present time we have not gone far enough in practical tests of different classes of Canadian woods to be able to say to the British importers just what purpose any particular class of wood will serve. Up to date the whole scheme of laboratory work so far as forest products are concerned has been wholly inadequate. I understand this vote has been reduced, and when it is spread over three laboratories it seems to me that we are simply maintaining a skeleton organization that serves no useful purpose. Instead, we should be furthering the interests of the forest products business of this country by more intensive research work. I believe that if the laboratory experts were brought here they would tell us that, were their work concentrated in one place, they could carry on more efficiently than when they are spread out as they are now.

Item agreed to.

Administration of the Migratory Birds Convention Act, $50,000.

Mr. TOTZKE: Is there an item in this vote for Jack Miner's bird sanctuary?

Mr. MURPHY: There is nothing in these items.

Mr. TOTZKE: Then there is to be no grant this year.

Mr. MURPHY: I do not say that. It may be among the miscellaneous items, but it is not in this vote.

Mr. GRAY: This matter is of vital interest not only to the members of western Ontario but to Canadians generally. It is true that Jack Miner's bird sanctuary does not come directly under this item, but I do not know where else we could discuss it better. In view of the fact that there is a saving this year of $6,750 under this particular item, I would ask the minister to urge upon his colleagues that they include in the supplementary estimates at least $2,500, the grant that was given last year, and if possible $5,000. Under the late administration a grant to this sanctuary was $5,000, and last year it was reduced to $2,500. I do not need to urge upon the committee the importance of this grant, not only from the standpoint of bird conservation but also from the point of

view of the American tourist traffic. Each year some 20,000 cars bring in American tourists who visit the sanctuary, and when you consider the work that Jack Miner and his friends have been doing towards the conservation of birds, I think it will be generally agreed in the house that this grant is one that should be perpetuated. I am sorry that the hon. member for South Essex (Mr. Gott), whose proximity to the bird sanctuary has been frequently referred to in this house, is not in his place. I understand, however, that he and other members from Essex whose personal knowledge of this matter is greater than mine are heartily in accord with the grant, and I urge upon them, as well as upon the minister and the government, to see to it that a grant of at least $2,000, and if possible $5,000, is included in the supplementary estimates for this sanctuary. It costs Mr. Miner the sum of $10,000 a year to conduct it. I do not think it is in the interests of economy that the grant should be deleted from the estimates, and I again urge that the minister speak to his colleagues, pointing out that there is a saving of $6,750 this year in the vote for the administration of the Migratory Birds Convention Act, which ought to enable them to include an amount in the supplementaries for this bird sanctuary.

Item agreed to.

Investigations of water and power resources and of International Waterway problems, the Dominion hydrometric survey, the Western Provinces Water Board, and for the administration of the Dominion Water Power and Irrigation Acts, etc., $175,000.

Mr. STEWART (Edmonton): There is a reduction of $75,000 under this item; what accounts for it?

Mr. MURPHY: There are the following reductions and increases:

Head office administration	$35,109 96
British Columbia, Yukon and Northwest Territories	7,182 15
Saskatchewan and Alberta	26,308 11
Manitoba	9,580 65
Ontario (Increase)	2,254 40
Quebec (Increase)	1,124 97
New Brunswick	15 00
Nova Scotia	137 00
Prince Edward Island	46 50

This makes a total of $75,000.

Mr. VALLANCE: This item includes the Western Provinces Water Board. What are the functions of this board, and how much of the item is intended for it?

Mr. MURPHY: I regret to say that the wording of the item is not correct, and that this should not have been included in the printed estimate. There is no such board.

Mr. VALLANCE: That is what I wanted to know. Had you not better amend the item accordingly? This is mentioned for a specific purpose and the minister says there is no such board in existence. Why, then, do you need the money? Was this Western Provinces Water Board ever in existence, and if so, what were its functions? I have never known anything about it, and I should like to know.

Mr. MURPHY: The reference to the Western Provinces Water Board is purely a typographical error; it should never have been in the printed estimate. I am quite willing to have it struck out.

Mr. GUTHRIE: I move that the item be amended by striking out the words "the Western Provinces Water Board", appearing in the sixth and seventh lines.

Mr. BROWN: Does that affect the amount of money?

Mr. VALLANCE: Will the Minister of Justice also move for a reduction in the amount of the estimate? This must have been considered by whoever prepared the estimate.

Mr. MURPHY: Nothing was provided for that purpose.

Mr. VALLANCE: I notice some of these items are being passed rather speedily, and we now find that we are voting money for purposes which do not exist. We had better examine each item in order to avoid a repetition of this instance of the Western Provinces Water Board.

Mr. HEENAN: How is the government coming along with respect to the payments to be made to the settlers on shores of the Winnipeg river whose lands were flooded by the waters from the lake of the Woods?

Mr. MURPHY: Nothing is included in this vote for that purpose. I think the hon. member is aware that this is a matter which concerns both the province of Ontario and the Dominion government. No satisfactory arrangement has as yet been arrived at in regard to the matter.

Mr. HEENAN: In either 1928 or 1929 an amount of between $25,000 and $50,000 was included in the estimates for the purpose of commencing negotiations with the settlers. I do not blame the minister for the delay which has taken place in this matter, but surely, when practically all the rest of the international obligations have been adjusted in that neck of the woods, as we call it, the settlers should not be the only ones not taken care of. Settlement has been made of the

question as to what height of water shall be maintained in the lake of the Woods, and, if I remember rightly, the International Joint Commission recommended in 1916 that compensation should be made for lands destroyed or flooded. I have personal knowledge of many settlers who have been flooded out by the Winnipeg river. I understand that the province of Ontario says that it has nothing to do with this matter. I have not before me a copy of the votes and proceedings of the Ontario legislature, but my information is that the Minister of Mines gave an answer to a question on the floor of the provincial house to the effect that the legal authorities had said that the province was not legally bound to pay. I am not sure whether our Department of Justice has made a similar ruling, but if these payments are to be based on the elimination of technicalities, the settlers will never be compensated. The claims are based not upon technicalities but upon the findings and recommendations of the International Joint Commission. Lands have been flooded and homes destroyed, and in view of the fact that this government has more to do with the International Joint Commission than the provincial government, I think it should see that these settlers are taken care of at as early a date as possible.

Mr. VALLANCE: The estimates for 1932 contained the following item:

For investigations of water and power resources and of international waterway problems, the Dominion Hydrometric Survey, the Western Provinces Water Board, and for the administration of the Dominion Water Power and Irrigation Acts, etc., $250,000.

This was a decrease of $225,000 over the vote of the year before. It would appear as though a vote had been made last year for this Western Provinces Water Board, and I should like to know how much money was spent last year on this board.

Mr. MURPHY: As I explained a few moments ago, it is simply a typographical error.

Mr. VALLANCE: Last year too?

Mr. MURPHY: Evidently the wording for this year has simply followed that of the year before, and possibly the year before that.

Mr. STEWART (Edmonton): And the year before that.

Mr. MURPHY: It is beyond my power to give any other explanation to the hon. member than that already given.

Item, as amended, agreed to.

[Mr. Heenan.]

To provide for the expenses connected with the national parks of Canada, historic sites, care of indigents in the parks, the appointment of stipendiary magistrates in the parks and the payment of their remuneration, etc., $1,100,000.

Mr. MACKENZIE (Vancouver): Have any new areas been taken over since last year?

Mr. MURPHY: No.

Mr. MACKENZIE (Vancouver): Have any recommendations been forwarded by the province of British Columbia for new park sites?

Mr. MURPHY: Communications have been received at various times in regard to the matter.

Mr. MACKENZIE (Vancouver): No action has been taken?

Mr. MURPHY: No.

Mr. VENIOT: Have any been received from the province of New Brunswick?

Mr. MURPHY: Yes.

Mr. VENIOT: What action has been taken?

Mr. MURPHY: No action has been taken?

Mr. VALLANCE: How much money was spent last year in Prince Albert national park, and was the golf course developed to the extent anticipated, having in mind the fact that the work was to be done for relief purposes?

Mr. MURPHY: The expenditure last year for Prince Albert park amounted to $143,149.92. I do not know the expectations of my hon. friend in regard to the work to be done on the golf course, but very little progress has been made.

Mr. VALLANCE: Has a recommendation been received from the member for Prince Albert (Mr. Mackenzie King) that something be done?

Mr. GRAY: I should like to refer to the grant made to the Historic Sites and Monuments Board of Canada. There has been considerable agitation for an historic site to be erected in memory of the late Indian chieftain, Tecumseh, who fell in the battle of Moraviantown during the war of 1812. This matter has been brought to the attention of the board from year to year and last year a resolution was passed favouring the erection of an historic monument. Large public subscriptions have been made for the purpose,

but the reason given by the board for not proceeding with the work is that it was unable to obtain a sufficient grant from the government. What portion of this vote will be allotted to this board, and how much money was expended during 1931?

Mr. MURPHY: I am sorry I cannot give the hon. member the detailed information for which he asks, but last year there was spent altogether the sum of $49,981.42 for the erection of cairns and other monuments in various parts of the dominion. I am sorry I am unable to give him the details or the geographical locations of the sites. I shall be glad later to give him that information, which can readily be furnished.

Mr. GRAY: I shall appreciate that. Can the minister say what amount is allotted to this commission for the year 1932-33?

Mr. MURPHY: $27,350.

Mr. BROWN: What is the cost of the monuments that are being erected? They seem to be all of a standard pattern.

Mr. MURPHY: From $250 to $350, depending upon the geographical location of the site.

Mr. CAYLEY: The minister will remember that last year I asked him a question regarding a cairn that had been decided upon to mark the site of the first cheese factory in Canada, and which the historic sites commission decided was coming to the township of North Norwich on the road known as Quaker street. The minister assured me that the site had been decided upon. I should like to know if the work will be done this year and the cairn erected.

Mr. WILLIS: What kind of cheese?

Mr. CAYLEY: Headcheese.

Mr. MURPHY: It is not proposed during the coming year to erect any historic monument at the site mentioned by the hon. member.

Mr. VALLANCE: I think the minister has the information in regard to the matter about which I ask, although the work was done in the last year of the previous administration. It will be remembered that during the rebellion there was a battle known as Cut Knife Hill. The Department of the Interior raised a monument there on which they placed an inscription which was obnoxious to the Indians of that Indian reserve. Has the inscription ever been changed, and if so, what is now the inscription on that monument?

Mr. MURPHY: I understand a change has been made in the inscription, and the one which it is proposed to put on the tablet has received the sanction of the historic sites board who are members of the commission.

Mr. TOTZKE: The historic sites committee has for some time been trying to get a roadway to the Fish Creek cemetery which is a site of the rebellion of 1885. Has anything been done in that regard?

Mr. MURPHY: I am informed that negotiations in regard to this matter are still in progress.

Mr. REID: Is it the minister's intention this year to acquire any further areas for park purposes in British Columbia?

Mr. MURPHY: No.

Mr. CAYLEY: Coming back to the matter I have mentioned, do I understand the committee have given up the idea of marking the site of the first cheese factory, or is it just postponed?

Mr. MURPHY: The matter has simply been postponed. I am also told that on information received from Doctor Ruddick, the dairy commissioner, there exists some doubt as to the proper location, and until the Historic Sites and Monuments Board are fully convinced that they have located the proper place on which this monument should be erected, the matter will remain in abeyance.

Mr. CAYLEY: I was under the impression in the first place that Doctor Ruddick was emphatic that this was the true site. I do not know what has changed his mind.

Mr. MURPHY: Like other men, possibly Doctor Ruddick has changed his mind.

Mr. SPEAKMAN: Might I inquire as to whether the work of delimitation of park areas carried on in connection with the transfer of the natural resources to the provinces has yet been completed?

Mr. MURPHY: I understand the delimitation of the park boundaries was completed before the transfer of the resources to the provinces.

Mr. SPEAKMAN: I understand at the time of the transfer, in respect of one or two of the parks, there was still a question as to the inclusion of certain items of land, particularly in connection with Banff park. I refer to the question of the inclusion of certain coal and mineral areas within the park. The minister assures me that work has been completed.

Mr. MURPHY: Everything in regard to the delimiting of the park boundaries was settled before the transfer, and to date no areas have been added to or subtracted from the park.

Mr. BROWN: Perhaps at this point the minister will answer a question I have put to him twice regarding the boundaries of Riding Mountain park.

Mr. MURPHY: Will the hon. member kindly repeat his question so that I may be able to answer it correctly?

Mr. BROWN: It has been suggested in many quarters—and I believe the suggestion has received the approval of many people in Manitoba—that the western area of Riding Mountain should be excluded from the park. All I am asking the minister is what his policy is in regard to the matter. These representations have been made to me.

Mr. MURPHY: Certain representations have been made to me and, I think, also to the department, advocating the taking from Riding Mountain park as presently constituted a certain area to the west thereof, but up to the present no policy has been decided upon with regard to the matter. It is still under consideration.

Mr. STEWART (Edmonton): I notice a reduction of $219,000 in the appropriation proper for national parks. This is certainly not a service that the federal government can afford to curtail, because it has nothing to do with the transfer of the natural resources. The federal government has taken upon itself the obligation of maintaining those national parks. They have been a splendid advertisement for Canada. Moreover, from year to year, we have been adding to the areas, the last occasion being the park set apart in Manitoba. Knowing fairly well the difficulty that the minister and his staff will have in administering and providing the necessary funds for carrying on this work, because some improvements must certainly be made, I feel it is rather a poor policy to begin to curtail this particular service, which is one of interest to everyone in Canada. I regret very much to see that the minister, no doubt having listened to other members of the government urging him to practise economy, has decided to cut this amount out of the parks appropriation. Rather I would judge that the parks will require greater and greater amounts to be spent on them each year. I should like to know what particular service and what branches of the service will be cut. It is a very substantial cut—$219,000. I think I am safe in saying that the minister himself did not agree to this cut very willingly, because I quite appreciate that he realizes as well as any member of the house, the necessity for keeping up these parks. I am sorry to see the vote for the national parks reduced in any particular, because I know full well the necessity for maintaining and improving our national playgrounds. What particular items will be cut as compared with last year?

[Mr. Speakman.]

Mr. MURPHY: With the general remarks as expressed by the hon. member for West Edmonton I am disposed to agree, because I feel that our national parks are a wonderful asset to the people of Canada, not only from the standpoint of the enjoyment they give as scenic beauty spots, but as a potential source of revenue because of the tourist traffic they attract to this country. The reduction in the vote this year is accounted for mainly by the fact that there will be practically no new construction carried on in any of the parks this year. There is also a slight decrease in maintenance costs. In other years the vote included a considerable sum for the construction of new buildings, bridges, roads, and so forth, but this year we are carrying out practically no work of that nature, for reasons of economy pure and simple.

Mr. BROWN: Has the minister any jurisdiction over the Peace park established in Turtle mountains?

Mr. MURPHY: None whatever.

Mr. BROWN: It is purely provincial?

Mr. MURPHY: Yes.

Mr. REID: Is there any limit to the area which the dominion government will accept as a site for a dominion park?

Mr. MURPHY: There is no limit as to area.

Mr. REID: Neither minimum nor maximum?

Mr. MURPHY: No.

Mr. REID: Has the department taken over Garibaldi park from British Columbia?

Mr. MURPHY: No. When I said that there was no limitation as to area, I should have qualified that by saying that the department would not willingly accept an area which might be so limited in size as to be unsuitable for a national park. Outside of that, there is no minimum or maximum limit as to area or boundaries.

Mr. STITT (Nelson): Is any portion of this amount for historic sites earmarked for repairing Fort Prince of Wales at the mouth of the Churchill river in northern Manitoba? The minister paid a visit to that fort along with myself and several others last year, and as I stated to him at that time there is more history and more tragedy woven around that fort than any other historic site in Canada. It was built by the Hudson's Bay Company from 1733 to 1741 at the time the English and French were at grips in the bay for the fur trade. The fort is about three hundred feet square, built of solid stone masonry, with walls from thirty to forty feet thick, and there are about forty very large guns scattered around the ramparts and now lying buried in the mud. The fort is rapidly falling apart. The arch of the main door is falling down and is held up only by a stick of timber placed there through the kindness of some official of the Department of Railways and Canals. This year a great many people will be visiting Churchill because the eyes of the whole world are focussed upon this new port, and it certainly is a disgrace that this historic fort should be allowed to remain in its present state. I hope that the minister will use his best endeavours to have at least a small amount of money spent this year to set up and reinforce the main gateway, dig the guns out of the mud, and generally make this historic site a little more presentable.

Mr. MURPHY: As the hon. member has stated, it was my privilege last year to visit the site of Fort Prince of Wales at the mouth of the Churchill river on Hudson bay. Originally it was my intention to have an amount included in this vote for at least a partial rehabilitation of this historic fortress, but again owing to the general need for economy and the fact that it would take a considerable sum to do any work of importance on the fort, no provision has been made for that purpose this year. I assure the hon. member, however, that I am as anxious as he is that this work should be done at the earliest possible moment.

Mr. COOTE: Has a new bathhouse been built at the upper hot springs in Banff park?

Mr. MURPHY: Yes, it is now in process of erection.

Mr. COOTE: It will be completed under this vote?

Mr. MURPHY: No, the bathhouse is being built from the unemployment relief fund.

Mr. STEWART (Edmonton): May I ask the minister if he has supervision and control of the projected highway from Lake Louise to Jasper over the summit? I am quite aware that this work is being done under the unemployment relief scheme. Who has charge of it?

Mr. MURPHY: The work is being carried on by the parks branch under the direction of our chief engineer, Mr. Wardle.

Mr. STEWART (Edmonton): Is there any estimate of the total cost?

Mr. MURPHY: The estimate is not very definite. Speaking subject to correction I think it amounts to about $20,000 per mile.

Mr. MacINNIS: In further reference to Garibaldi park, I understand that it has been offered to the dominion by the provincial government. Has that offer been rejected, or is it still under advisement?

Mr. MURPHY: No official offer has been made to the department, but in correspondence possibly with myself, although I am not certain about it at the present moment, the matter has been mentioned.

Mr. NEILL: I had some correspondence with the minister last year. I think he sent one of his officials out to the province of British Columbia to look into certain projected parks on Vancouver island, and when I asked for the report I was advised it was not for publication but for the minister's private information. I suggest an investigation of that kind, dealing with a public matter, should be made available to hon. members. If it is not for public use, of what use can it be? One of the minister's well known officials made an inspection of proposed sites on Vancouver island and the people are anxious to know whether there is any prospect of the government taking action. I do not see why we should not have the information contained in the report, but if we cannot have it perhaps the minister would give us some information as to the steps contemplated by the government regarding those sites, two or three of which are on the west coast of Vancouver island, and one including what is known as Strathcona park and adjacent territory, which belongs to the British Columbia government. Can the minister give us any information on those points?

Mr. MURPHY: Certain communications were sent to me with regard to areas in British Columbia which, in the opinion of the writers, might be suitable for a national park. Our chief engineer, Mr. Wardle, was sent to investigate these different areas. His

investigation was not thorough or complete. After some weeks or months he submitted a partial or preliminary report of his investigation. The fact that no policy has been decided upon by the government as to whether or not an additional park will be established in any of the suggested areas explains why the report has not as yet been laid upon the table or made public. Mr. Wardle's report was simply for the information of the minister. However, if and when a decision is made to establish another park in British Columbia, and a full and complete report is made by our officers, there is absolutely no reason why such information should not be tabled.

Mr. NEILL: That is satisfactory, so far as it goes, but the matter has been hanging fire longer than the minister suggests. Mr. Wardle was out in British Columbia not last year but the year before, and these proposals were first initiated perhaps eighteen months before that. Could the minister give me some idea as to when a policy will be formulated in that regard, or is the matter to be held in suspension owing to the present economic conditions?

Mr. MURPHY: In all probability, until economic conditions improve it is barely possible that any further parks will be established in Canada.

Mr. MACKENZIE (Vancouver): Did the chief engineer also investigate regarding the Garibaldi park area when he was in British Columbia?

Mr. MURPHY: No, that area was not investigated on that occasion.

Mr. COOTE: I noticed the minister told the hon. member for West Edmonton that the reduction in this estimate was due to the fact that very little road work was being done in the parks. I wonder if the minister can tell us about how much work was done in the parks in the past year under the unemployment relief grants. I understood some work was done, and I am wondering if it would offset the reduction in this vote.

Mr. MURPHY: Between $800,000 and $900,000 of unemployment relief moneys were spent in connection with the various parks.

Item agreed to.

To provide for the construction of the Golden-Revelstoke highway, $271,900.

Mr. MACKENZIE (Vancouver): Will this construction bring the Big Bend road to a point where it joins the provincial undertaking?

[Mr. Murphy.]

Mr. MURPHY: No; we anticipate the road will be completed next year by the dominion and the province.

Item agreed to.

To provide for a refund of amount paid in 1928 on behalf of the Central Manitoba Mines Limited, being royalty on gold obtained from mineral claims in the province of Manitoba and acquired under the provisions of the Quartz Mining regulations, $1,916.37.

Mr. VALLANCE: I think we should have some explanation on that item. Why are these people being paid the sum of money mentioned?

Mr. MURPHY: The Yukon Quartz and Yukon Placer Mining Acts, applicable to that territory only, as well as quartz mining regulations applicable to the prairie provinces and the Northwest Territories, provided for the payment to the crown of a royalty on gold at the rate of 37½ cents per ounce. On June 11, 1928, the Yukon Quartz Mining Act was amended to provide for the payment of a royalty on the profits of the mine in excess of $10,000 during any year, in lieu of a fixed royalty of 37½ cents per ounce, but the royalty on placer gold remained unchanged. It was understood that a similar amendment would be made as soon as possible to the quartz mining regulations applicable to the prairie provinces, but as a general revision and amendment of these regulations was at the time engaging the attention of an interdepartmental committee, the change referred to was not made effective until April 1, 1929—that is, for a period of nine months thereafter. During that time Central Manitoba Mines, Limited, paid in royalties the sum of $1,916.37, which was at a higher rate than afterwards obtaining, and for that reason they are asking for a refund.

Item agreed to.

To provide for expenses in connection with determination of location and boundaries of ordnance and admiralty lands in the province of British Columbia, $3,000.

Mr. REID: Would the minister kindly explain this item?

Mr. MURPHY: Section 8 of the agreement of February 20, 1930, between the dominion and the province of British Columbia on the transfer of the railway belt and Peace river block, provides for the appointment of two persons, one by the governor general in council and one by the lieutenant-governor in council, to determine the location and boundaries of the several parcels of ordnance and admiralty lands within and without the railway belt. By section 6 of

the said agreement, ordnance and admiralty lands included in the railway belt did not pass to the province. By section 7 of the said agreement, all ordnance and admiralty lands which were set aside as such before 1871, and which have been transferred to Canada by the Imperial government, continue to be vested in and administered by the government of Canada. It is provided, however, that Canada shall recognize and confirm any alienation of any part of such lands made by the province prior to the date of the said agreement. The dominion also undertakes to perform every obligation of the province under any agreement made by the province or any provincial act, orders in council or regulation.

It is very advisable at the earliest possible date there should be a clear understanding with the province as to the location and boundaries of the several parcels of ordnance and admiralty lands in the province of British Columbia, some of which are said to be very valuable. It is therefore proposed to provide a sum of $3,000 for the expenses of a commissioner to be appointed under the authority of section 8, who will possibly be accompanied by a departmental expert, as the matter of titles to be investigated is in some cases very complicated.

Mr. VALLANCE: I have lived in western Canada for twenty-six years and I am puzzled to know what are admiralty lands.

Mr. MURPHY: In the main they are lands which were set aside by the British Admiralty in the early days for admiralty purposes. They have been transferred to the crown in the right of the dominion.

Mr. YOUNG: What were those admiralty purposes?

Mr. MURPHY: I am sorry my knowledge of history is not sufficient to inform the hon. member for what particular purpose any parcel of land was set aside, but as I understand it, these parcels of land were set aside for various admiralty purposes in the same manner that ordnance lands are set aside for military purposes.

Item agreed to.

To provide amounts required for expropriation of areas for right of way on the Savona-Port Moody section of the main line of the Canadian Pacific Railway, also on the Pembina and Stonewall branches of the same road, $2,500.

Some hon. MEMBERS: Explain.

Mr. MURPHY: In connection with those portions of the Canadian Pacific Railway which were constructed by the Dominion government and afterwards turned over to the Canadian Pacific Railway Company, it is provided in the contract between the dominion and the company that the necessary right of way for the railway will be acquired by the government where necessary. Before this department had advice as to what lands were affected by the right of way, a certain number of patents were issued which contained no reservation of the lands required for the railway. Many years ago the neccessary deeds were obtained from owners in a large number of cases, but some cases have remained unsettled up to the present time. The areas in each case are small, but in addition to paying for the land the government has to provide the necessary expenses for the legal work connected with the transfer of title. It is impossible to forecast what expenditure may be required, as there is no means of knowing what price will be demanded by the various owners, nor is there any means to estimate what amount will be required for legal purposes, and possibly for expropriation proceedings. The sum of $2,500 is named merely as affording a basis for action to clear off all these pending cases as far as possible in 1932-33. The Department of Justice has advised that it is the duty of the Dominion government to procure title for the railway in all these cases.

Item agreed to.

The CHAIRMAN (Mr. MacNicol): Shall the resolution carry?

Mr. MacLEAN: Before the resolution carries I would ask the consent of the committee to revert to vote 206 dealing with the administration of the Migratory Birds Convention Act.

Some hon. MEMBERS: Carried.

Mr. MacLEAN: There are one or two matters I should like to bring to the attention of the minister. The treaty was entered into in 1916 and will expire this fall, but it is provided that it shall remain in force from year to year after that date or until notice is given by either party to determine it. The people of Prince Edward Island think that our American friends have been getting the best of the bargain, and that we are really preserving the birds in the maritimes for their benefit. Two or three years in succession the provincial legislature has passed a resolution objecting to the renewal of the treaty without the province being consulted. One recital in the resolution states:

Whereas the said prohibition was enacted without receiving the assent of the government or the legislative assembly of the province of Prince Edward Island.

They refused to be a party to the treaty. Another recital states:

And whereas the government of the province was requested to enact a law confirming the provision of the said treaty and the federal legislation thereunder, which the government refused to do.

The government of Prince Edward Island has absolutely refused to be a party to this legislation. As the treaty expires this year, would the minister consult the three maritime provinces, particularly Prince Edward Island, to find out just what their objections are? Perhaps he could give us some information regarding the proposal he has in mind for continuing the treaty.

Mr. MURPHY: I am not in a position to state that the provisions of this treaty are satisfactory in their entirety to any or all of the provinces. I think the hon. member will realize the difficulties that any government would be under in drafting a treaty or formulating regulations under it which would be satisfactory to each province. But I may say for his information that the provinces have been consulted in regard to the operations of this treaty, officers of this department being continually in touch with officials of the various game departments of the provinces. As for over twenty-five years I have been a sportsman myself, I feel I have some little knowledge with regard to this problem. I am quite convinced of the value of the treaty to the people of Canada and to Canadian sportsmen. From my knowledge of its workings I believe it is very important not only from that standpoint, but by reason of the provisions it contains for the protection of insectivorous birds. The hon. member knows that increasingly our crops, both grain and vegetable as well as fruit, have been suffering from the ravages of insects, and it is most important that we protect our bird life, especially the insectivorous birds. That protection is one of the main items in the treaty and I do not at present intend to take any step to discontinue the treaty, although I do not say that regulations drafted thereunder might not be amended from time to time to suit particular areas in different parts of the country.

Mr. MacLEAN: Has the department received a resolution passed by the legislature of Prince Edward Island in connection with this matter?

[Mr. MacLean.]

Mr. MURPHY: Yes; a resolution has been received by the department from the Prince Edward Island legislature. I have called a conference to be held some time during the present month, to which officials and ministers from every province in the dominion have been invited in order that they may lay their views fully before the department and the government.

Mr. MacLEAN: That conference is in connection with the treaty?

Mr. MURPHY: In connection with the operations of the treaty, yes.

Mr. MacLEAN: I am pleased to get that information from the minister, and I trust that the representations which have been made by the local legislature will be given consideration, and that they will be notified when the conference is called.

Mr. CAYLEY: There is no item here for assistance to Jack Miner in his splendid work, and I do not know whether it is the intention of the minister to see that some assistance is given him. Since, however, the minister has revealed the fact that he is an ardent sportsman, I am sure that the work that Jack Miner is doing in western Ontario will appeal to him, and that he will do what he can to have the small amount of $2,500 which Mr. Miner is asking for included in the supplementaries.

Mr. MURPHY: This item, I am informed, has always been included in a special vote in the supplementary miscellaneous estimates.

Mr. CASGRAIN: Did not the department receive a request some time ago from a society that part of the land of Manoir Richelieu, Murray Bay, be made a sanctuary for birds? I heard that this request had been made to the department by Canada Steamship Lines. Has it been favourably received?

Mr. MURPHY: Certain recommendations reach the department from time to time in regard to the establishment of bird sanctuaries throughout the dominion, and they are dealt with almost immediately; but at the moment I am unable to inform the hon. member whether this particular request has been received by the department or not. To the best of my knowledge it has not, but I speak subject to correction. If such a request is received, I assure the hon. gentleman that it will be dealt with at once.

Mr. CASGRAIN: Is the government paying a certain amount of money to these people for their land for the bird sanctuary?

Mr. MURPHY: No.

Mr. MacINNIS: I wish to call to the attention of the minister certain matters in connection with the Migratory Birds Convention Act, and in doing so I may say that I am speaking not from personal knowledge but from what has been told me. The licences or permits given to collectors in British Columbia for the collection of specimens have been, I am informed, largely abused. I am encouraged to bring this to the attention of the minister in view of his reply to the question asked by the hon. member for Prince and the minister's intimation that he realizes the value of conserving the bird life of Canada for the good of the country. I am informed that there are really too many licences or permits granted for the collection of specimens, and that the specimens collected are indeed the rarest birds. It is stated that the number of specimens allowed each collector is far too great, and that the privilege of collection has been commercialized. Furthermore, it is pointed out that collectors coming in from other countries, particularly the United States, are allowed to collect specimens without any restriction whatsoever. That there is a certain amount of commercialization can be substantiated by the case tried in the British Columbia courts recently. The person prosecuted claimed that he was merely exchanging skins of one kind for skins of another, and the magistrate held that an exchange of that kind was tantamount to a sale of skins outright. I had some definite information on the subject, but not knowing that this question would come up to-night I did not bring it with me; I cannot therefore present it to the minister at the moment. If, however, he wishes, I shall be glad to give him the names of those who have complained to me and to help him in any way I can.

Mr. MURPHY: If the hon. member will submit his complaint in writing, I shall be glad to have the matter investigated.

Item agreed to.

PENSIONS

Civil flying, $1,000.

Mr. GRAY: Will the minister explain this item?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): This is to provide a small sum for pensions in connection with flying. The list is a very limited one, and those provided for by other acts do not come within it. For the last four years the expenditures have been $240, $240, $346.40, and $230.

Mr. MACKENZIE (Vancouver): Is the pension given for service or disability?

Mr. MacLAREN: Disability.

Item agreed to.

European war—naval, militia and air forces after the war, $48,000,000.

Mr. MACKENZIE (Vancouver): Will the minister explain the decrease of $2,500,000 in this item?

Mr. MacLAREN: The decrease is more apparent than real. The estimate for the previous year, $50,500,000 was considerably in excess of the amount expended, which was about $44,000,000, a difference of over $6,000,000. The estimate this year is for $48,000,000, which is actually $4,000,000 more than the expenditure of last year. It has been found very difficult to make these estimates with absolute certainty. Because of the amendments made in 1930 to the Pension Act, those who had previously accepted a final payment in lieu of pension were permitted to make a fresh application. There were 19,000 men who came within this category, and it was impossible to say just what proportion of this number would make application last year. As a matter of fact, the claims came in much slower than was anticipated, and the expenditures were less than the estimate of the previous year by the amount I have mentioned, $6,000,000.

Mr. MACKENZIE (Vancouver): If the minister will look at page 8 of the annual report of the department he will see that the payments made to the men and their dependents amounted to $50,491,000. Does that amount cover the pension list as well?

Mr. MacLAREN: It includes the pensions paid and other items such as pay and allowances.

Mr. SANDERSON: Am I to understand that the difference between the estimate and the expenditure was caused by certain applications not having been decided?

Mr. MacLAREN: No. A previous amendment to the Pension Act permitted a man receiving a small pension, say of five or ten per cent, to take a lump sum as a settlement. At one time there were something like 25,000 men in this class. The amendments of 1930

permitted those who had accepted a final settlement to make application for reinstatement of their pensions, and it was necessary to calculate the number of men who might make such applications. There were 19,000 who were eligible for reinstatement, and we did not know whether most of these men would make application in one year or whether the applications would be spread out over a number of years. As a matter of fact the number of applications was under 12,000. That gave us a larger sum of money than we required to expend.

Mr. SANDERSON: I understand, then, there are 7,000 cases not yet heard or pending decision.

Mr. MacLAREN: Possibly 6,000 or 7,000, but I cannot say that we expect them all to come up.

Mr. SANDERSON: Has the minister, in his estimates for this year, estimated on those 6,000 or 7,000 cases?

Mr. MacLAREN: The estimate includes 2,000 of them. It is presumed a number of them will not appear.

Mr. SANDERSON: How does the minister arrive at the decision that a number of the cases will not be pressed?

Mr. MacLAREN: When we started out we had nothing to guide us as to how many cases there would be. We have now the experience of something like two years. We have as a basis to guide us the number that have been appearing each month during the last twelve months, and the estimate is made to allow for 2,000 in the current year.

Mr. SANDERSON: Of the cases which were entered last year or the year before and not decided—and there must be thousands of them—what estimate did the minister make of the ones which would likely come up this year?

Mr. MacLAREN: Is the hon. member asking the question in connection with the appropriation, or is it a different question he is asking now?

Mr. SANDERSON: My question is based on the vote.

Mr. MACKENZIE (Vancouver): If the minister will look at page 10 of his annual report he will find the following: Between March 31, 1930, and the end of 1931, there were new pensions awarded by the Board of Pension Commissioners, 4,394 for disability and 1,473 for dependent pensioners, and new pensions awarded by the pension tribunal and pension appeal court, 405 for disability and 52 for dependent pensioners. That is apart from the final payments. I think the question my hon. friend was trying to frame was: What is the estimate this year by way of new pensions to be awarded, in the first place by the Board of Pension Commissioners, and in the second place by the pension tribunal and the pension appeal court?

Mr. MacLAREN: As I was saying, there are 2,000 of those for final payment. I cannot give the number estimated for the others, except that it is based on the number passing through from month to month.

Mr. MACKENZIE (Vancouver): That is a point I want to emphasize. There is no disposition, is there, on the part of the department gradually to lower the estimate of the number of cases for next year that will be granted pensions? In other words, there is no tendency to be more strict in the adjudication?

Mr. MacLAREN: No; on the contrary we are anticipating an increase, not a diminution in the pensions. There will probably be an increase in pensions for some considerable time.

Mr. SANDERSON: If the minister says they are anticipating an increase in applications for pensions, why the decrease in the estimate?

Mr. MacLAREN: Evidently I have failed to make the matter clear. Although there is a decrease in the actual estimate, it will allow $4,000,000 more this year than was spent last year on pensions.

Mr. MACKENZIE (Vancouver): Perhaps if the minister will give the increase last year over the year previous and then the estimated increase this year over last year, we shall see whether there is a progressive increase or not.

Mr. MacLAREN: The expenditures for the last four years are as follows—I am giving round figures:

1928-29	$40,000,000
1929-30	39,000,000
1930-31	44,234,000
1931-32 (for ten months)	39,000,000

The estimates were:

1928-29	$39,000,000
1929-30	42,000,000
1930-31	50,000,000
1931-32	50,500,000

Item agreed to.

Salaries and contingent expenses of the Board of Pension Commissioners for Canada, $451,284.

Mr. MACKENZIE (Vancouver): Would the minister be good enough to inform the committee as to the success of the amendment of last year in regard to the Board of Pension Commissioners themselves dealing in the first place with all applications for pension?

Mr. MacLAREN: That is a question I have much more satisfaction in answering than many others coming under pensions, because the effect of the amendment passed last year was really good. There was a very decided effect on the administration as regards applicants. I should like to put the following on record for the information of the committee: applications for pension received by the Board of Pension Commissions from August 1, 1931, to February 29, 1932, amounted in all to 14,347. Applications granted during the same period numbered 7,084. That, I think, was a large number within that period. While there have been many cases where the progress in granting pensions has been slow and has taken much time, here is one instance where a large number of applications have been dealt with and pensions granted within a comparatively short time. That is one of the very gratifying results of the amendments passed last year. In addition, the pension board had 2,150 applicants medically examined. The board has still a large number of cases to deal with.

Mr. MACKENZIE (Vancouver): Is it not a fact that the amendments of last year throwing this work on the pension board have lessened the work of the tribunals out in the country?

Mr. MacLAREN: They have lessened it materially, for two reasons. They actually deal with the cases themselves, and many of them finally. In addition, the work has been pushed back, as it were, to the pension board, and some of these cases, of course, will ultimately come to the tribunal.

Mr. GRAY: In round figures some 14,000 applications came before the board, and of these some 7,000 were accepted and pensions granted. How many of the balance either were referred to the tribunal or made application to the tribunal?

Mr. MacLAREN: I have not the exact figures on that, but the pension board was required to assign reasons in writing for declining a pension, and at the same time to inform the applicant that if he could get additional evidence his case would be reconsidered, and if that additional evidence was not satisfactory he could still ask for a hearing before the tribunal. So far many of the applicants whose claims have not been granted have rested there, but they still have the right, which they may ultimately exercise, to proceed further, as I have just stated. The fact remains that a large proportion of those who have not had their claims granted have not proceeded further. I am told that about 500 of the 7,000 have asked for a hearing before the tribunal.

Mr. GRAY: That is 500 out of the 7,000 who were not granted a pension?

Mr. MacLAREN: Exactly. There were about 7,000 granted and 7,000 declined, so it was about fifty-fifty.

Mr. GRAY: What became of the 7,000 cases in which a pension was declined? The minister will see my point. What is clogging the machinery? Is it because of the great number of applications that are being heard? The minister says that 500 of these 7,000 who were not granted a pension are asking for a hearing before the tribunal. What became of the others?

Mr. GEARY: He has just told you.

Mr. GRAY: He has not, and with all respect to my hon. friend from South Toronto, the minister can handle his estimates without his assistance.

Mr. GEARY: I am only addressing myself to my hon. friend, not to the minister.

Mr. MacLAREN: I cannot say what has become of the others. All I can say is that they have not proceeded further. They were informed that their application was not granted and they were given the reasons why it was not granted. They were told that they had the opportunity to collect further evidence and to have their case reviewed by the same board, and if an unfavourable decision were then given, they had still the opportunity of being heard before the tribunal. There were about seven thousand of them, of whom five hundred have asked to be heard before the tribunal. What about the rest? I do not know. They have not signified anything. They may be looking for further evidence, and they may still ask to be heard before the tribunal. We do not know anything except that they have been so informed, and that with the exception of about five hundred they have not proceeded further.

Mr. MACKENZIE (Vancouver): With all respect to the minister I can scarcely credit that statement that only some five hundred of

the seven thousand whose applications were not accepted by the Board of Pension Commissioners are not proceeding further before the pension tribunal or the appeal court, because in reply to a question on the seventeenth day of February the minister replied to me that there were pending at that date, which was just the other day practically, 2,436 cases before the pension tribunals, and before the appeal court 1,231 cases. If the minister's statement is correct the majority of these cases now pending must have antedated the amendment of last year.

Mr. MacLAREN: Yes, they are not included in the 14,000 to which I was referring.

Mr. KENNEDY (Winnipeg): I would like to ask a question on a point of procedure. Where cases come before the tribunal and are adjudicated upon, whether favourably or unfavourably to an applicant, what then is the policy of the administration as to the appeal of such cases? Is there any general instruction that all cases favourable to the applicant shall be appealed?

Mr. MacLAREN: I do not think there is any policy. It is all laid down in the Pension Act. I understand that the question is, in the event of a case failing before the tribunal—

Mr. KENNEDY (Winnipeg): In the event of a case being adjudicated upon favourably to the applicant, is it automatically appealed?

Mr. MacLAREN: No, certainly not. In the event of an applicant succeeding or failing before the tribunal, the procedure is not a matter of policy at all. It is all laid down in the act. The pensions advocate has the right of appeal for the applicant, and the commission counsel has the right of appeal on behalf of the pension board.

Mr. MACKENZIE (Vancouver): The significance of the figures is that whereas since their inception there were 4,545 cases referred to the pension tribunals, of which number they allowed 2,129 and disallowed 2,416—about a fifty fifty proportion—there were appealed by the pension applicants 1,172 and by the commission counsel, who is ostensibly representing the administration or the treasury, 1,550. So that the commission counsel, whether under instructions or not, has appealed far more cases than have advocates acting on behalf of soldiers applying for pensions. I asked the question how many decisions rendered by the appeal court were in favour of the applicants? The reply was:

On appeals by pension applicants, 26; by commission counsel, 239.

Almost ten to one of the appeals sent to the appeal court were in favour of appeals lodged by commission counsel as against those lodged by pension advocates. Then I asked the question:

How many were adverse to the pension applicant?

And received the answer:

On appeals by pension applicants 703, by commission counsel 343.

Taking it in a negative way we find on appeals there were far fewer decisions against commission counsel than there were against applicants for pensions. I think the figures speak for themselves with relentless severity.

I recall that last year during a discussion on the estimates it was pointed out that a circular letter under date of June 25, 1931 had been sent out by the chief commission counsel to all commission counsel throughout Canada instructing them to pursue the most rigid course in regard to these appeals. On that occasion I complimented the minister because the minute the matter came to his attention he was good enough to withdraw that letter from circulation. I trust there are no more instructions of that type being given to commission counsel. Speaking for myself I have the ulmost confidence in the personnel of the tribunals; I think they have done a remarkable work, but I have very little confidence in the attitude of the appeal court, as constituted, towards the claims of the applicants.

Mr. SANDERSON: I should like to say to the minister that I am not criticizing him; I have found him friendly and considerate, and he has gone out of his way on several occasions personally to investigate cases concerning pensions I have brought to his attention. Therefore anything I may have to say is not critical of the minister. It appears to me, however, that he must realize by now that the Pension Act, with the amendments which were added in 1930, is far from being perfect, I should like to ask if it is the intention of the government at this session to bring down any amendment or amendments to the act.

Mr. MacLAREN: I should like to say a few words concerning several points brought up by hon. members opposite. In the first place, it is the right of applicants to appeal. All they have to do is to advise or request a pension advocate to have it done. That is a matter entirely apart from the department. Then, appeals by commission counsel are not departmental matters. Commission counsel acting under the Board of Pension Commissioners make the appeals which in their judgment should be made. I should not like to

agree with the remarks of the hon. member for Vancouver Centre about the appeal court. I have had much to impress me concerning the good work done by that court. There are certain facts we must bear in mind concerning the three courts. The Board of Pension Commissioners, or some of them, have been acting for ten years or more. They are well trained, experienced men. At the head of the appeal court is a man who was on the supreme court bench of one of the provinces for about fifteen years, a man who has had an extensive training and is fitted for his position. Then there is the tribunal composed of twelve members chosen from every portion of the dominion and representing the different provinces. Naturally most of those men have not been trained in their particular work; they are new men at new work, and I think it is fair to expect that some time will elapse before they learn accurately the value of evidence. I should like hon. members to bear in mind that I recognize there is a marked disparity between the number of appeals allowed on applications by advocates and by commission counsel. I am not going to judge these officials harshly because I think they are all trying to do their best. We may reasonably suppose it will take time to train men properly to weigh evidence as it should and will be done.

Mr. GEARY: I should like to straighten out a matter of procedure. Did I understand the minister to say that the Board of Pension Commissioners instructs the appeals on behalf of the crown, so to speak?

Mr. MacLAREN: Yes.

Mr. GEARY: So that each case is considered by the Board of Pension Commissioners, and it is the board which gives the instructions that the appeal be taken?

Mr. MacLAREN: Yes.

Mr. GEARY: I understood the commission counsel—

Mr. MacLAREN: Yes, that is true; the chief commission counsel is an official of the pension board.

Mr. GEARY: It did transpire last year that a circular letter was sent out which provoked a good many appeals—at least that was the inference. The minister was good enough to see that that letter was withdrawn. Perhaps the minister will let us know if within his knowledge any active part has been taken in invoking the appeal to the federal appeal board since that time, because there is a feeling on the part of some that the right of appeal by commission counsel has been very largely used. In many cases that appeal has been successful, whereas the appeal by the man has not been successful to anything like the same extent. I should like to be assured that it is not departmental policy that there should be such a large proportion of appeals by the commission counsel against the tribunal decisions.

Mr. MacLAREN: As I have just stated, it is not departmental policy. As soon as my attention was drawn to the letter sent out last year I disapproved of it and asked the pension board to recall it. The chief counsel is an official of the pension board.

Mr. SANDERSON: It does appear to me that the great defect of the Pension Act is the delay in dealing with cases that come before the tribunals. I have personal knowledge of twenty cases, of which ten or twelve have been pending for eight, nine, ten and twelve months, and two cases have been pending for fifteen months.

Mr. MacLAREN: I cannot discuss specific cases—

Mr. SANDERSON: I would not expect the minister to do that.

Mr. MacLAREN: I have found that so many conditions were supposed to exist, but a close analysis threw a different light on them. I do not know whether those cases are still pending, but the applicants sometimes delay their own cases. As to legislation this session, the question is being very closely studied at the present time. Of course, delay cannot be wholly avoided. We are aware now what this machinery is costing the country, and surely no one is going to advocate that it be increased still further. We are trying to expedite the work as far as possible, but, as I pointed out, the pension board is granting more cases than the tribunal and the appeal court hear.

Mr. SANDERSON: I would not suggest for a moment that the machinery be increased, but could not the present machinery be speeded up? For instance, the tribunals meet at certain points in Ontario, but although there may be twelve or fourteen cases on the docket they will sit for a day, dispose of four or six cases, and then move on to another point. Would it not be possible for the tribunal to clear the docket before they moved on?

Mr. MacLAREN: If any hon. member will look over the itinerary he will find that the tribunals do clear the docket in each place.

In Toronto we have had a board sitting continuously for the last few months. In many centres the tribunals sit for three, four or five days and dispose of their work.

Mr. SANDERSON: That may apply to Toronto, but let me take Stratford in the county where the tribunal meets. To my knowledge that tribunal has never sat longer than a day and a half although there would be twelve or fourteen cases on the docket. In that time it could deal with only four or six cases. Why should not the docket be cleared before the tribunal moves on to another point?

Mr. MacLAREN: There is no reason why the tribunal should not do so.

Mr. SANDERSON: Will the minister look into that?

Mr. MacLAREN: I will ask that an itinerary be sent to the hon. member which will show how long the tribunals have sat in the different centres during the last six months.

Mr. HOWARD: We have succeeded in getting the tribunal to sit in Sherbrooke once. There were fifteen cases on the docket. The tribunal spent only one day there, heard five cases, and then moved on to another centre, just as the hon. member for South Perth (Mr. Sanderson) had said. Of the five cases heard two were immediately dismissed and in the other three the applicants were granted extensions of pensions. But those three cases were appealed, and not a thing was done for any of the applicants. One of those is the most glaring case I have had anything to do with. It is an absolute shame. If I were to make any suggestion it would be that the decisions of these tribunals be final.

Item stands.

INDIANS

Hon. T. G. MURPHY (Superintendent General of Indian Affairs): I would ask the chairman to call item 201.

To provide for expenses connected with the administration of Indian affairs, including salaries, supplies, relief, medical attendance, hospitalization, dwellings, agricultural activities, surveys, roads, bridges, irrigation, dyking, education, etc., and a grant of $100,000 approved by parliament in the session of 1926-27, $3,873,000.

Item stands.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

[Mr. MacLaren.]

Wednesday, April 6, 1932

The house met at three o'clock.

STANDING ORDERS

Mr. A. U. G. BURY (East Edmonton) presented the first report of the select standing committee on standing orders.

Mr. BURY moved that the first report be concurred in.

Motion agreed to.

UNEMPLOYMENT AND FARM RELIEF

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I beg to lay upon the table, for the Minister of Labour (Mr. Gordon) who is absent to-day, orders in council numbers 750, 751, 752, 753, 754, 755 and 757 passed under the provisions of the Unemployment and Farm Relief Act, 1931, and the Unemployment and Farm Relief Continuance Act, 1932.

BANKRUPTCY ACT AMENDMENT

PERSONNEL OF SPECIAL COMMITTEE TO CONSIDER AND REPORT UPON BILL NO. 41

Hon. HUGH GUTHRIE (Minister of Justice) moved:

That Messrs. Hackett, MacDonald (Cape Breton South), Ganong, Gobeil, Anderson (Toronto), Spence, Kennedy (Winnipeg South Centre), Turnbull, Perley (Qu'Appelle), Fraser (Cariboo), Butcher, Elliott, Jacobs, Lapointe, Mackenzie (Vancouver), Ralston, Speakman and Carmichael be a special committee to consider and report upon Bill 41, an act to amend the Bankruptcy Act, and that standing order 65 be suspended in relation thereto.

He said: The motion moved yesterday referred to a committee consisting of seventeen members, while the present motion refers to a committee of eighteen members and I ask the consent of the house to increase the personnel by one.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

GASCONS, QUE., POSTMASTERSHIP

Mr. MARCIL:

1. Has the postmaster of Gascons, Quebec, been dismissed and for what reason?
2. Has a temporary postmaster been appointed, if so, what is his name and on whose recommendation was the appointment made?
3. Has a permanent appointment been made in that office?

Mr. SAUVE:

1. Yes—commissioners' report found postmaster guilty of active political partisanship.

2. Yes—Wm. P. Brotherton. Recommended by Hon. Dr. E. Paquet.
3. No.

PICTOU, N.S., MARINE AGENT

Mr. ILSLEY:

1. Has the position of agent of the Marine department at Pictou, Nova Scotia, been abolished?
2. If not, who is the present agent?
3. If the position has not been abolished, is it the intention of the government to abolish it?

Mr. DURANLEAU:

1. No.
2. There is none.
3. Under consideration.

GIRONDE, QUE., POSTMASTERSHIP

Mr. POULIOT:

1. On what date was Mr. Johnny April dismissed as postmaster at Gironde, Quebec?
2. Why was he dismissed?
3. Did many persons apply for his position?
4. If so, what are their names?
5. On whose recommendation did the Postmaster General appoint the present postmaster, and why was he chosen in preference to other candidates?

Mr. SAUVE:

1. 5th September, 1931.
2. Commissioners' report found postmaster guilty of active political partisanship.
3 and 4. One applicant, Mrs. Joseph Rioux.
5. Recommended by Mr. C. E. Dubé.

FAUVEL, QUE., POSTMASTERSHIP

Mr. MARCIL:

1. Has the postmaster of Fauvel, county of Bonaventure, Quebec, been dismissed and for what reasons?
2. If so, who has been appointed postmaster and on whose recommendation?

Mr. SAUVE:

1. Yes. Commissioner's report found postmaster guilty of active political partisanship.
2. Paul Babin. Recommended by Honourable Dr. E. Paquet.

HOPETOWN, QUE., POSTMASTERSHIP

Mr. MARCIL:

Who has been appointed postmaster at Hopetown, county of Bonaventure, Quebec, and on whose recommendation?

Mr. SAUVE:

Ronald McRae, recommended by Honourable Doctor E. Paquet.

ST. FRANCOIS D'ASSISES, QUE., POSTMASTERSHIP

Mr. MARCIL:

Who has been appointed postmaster at St. Francois d'Assises, county of Bonaventure, Quebec, and on whose recommendation?

Mr. SAUVE:

Miss Marguerite M. Martin, recommended by Honourable Dr. E. Paquet.

ST. CHARLES DE CAPLAN, QUE., POSTMASTERSHIP

Mr. MARCIL:

1. Has the postmaster of St. Charles de Caplan, county of Bonaventure, Quebec, been dismissed?
2. If so, has a permanent appointment been made to that office, and who has been appointed?

Mr. SAUVE:

1. Yes.
2. No permanent appointment made yet. Office in temporary charge of Louis Arsenault.

ST. CHARLES DE CAPLAN, QUE., MAIL SERVICE

Mr. MARCIL:

1. Has a contract been awarded for the mail service between the post office at St. Charles de Caplan, county of Bonaventure, Quebec, and the railway station, if so, to whom and at what price?
2. Who were the tenderers?

Mr. SAUVE:

1. (a) Yes; (b) Lucien Bujold at $239 per annum.
2. Lucien Bujold, Gerard Hudon, Louis Arsenault.

CAPLAN EAST, QUE., POSTMASTERSHIP

Mr. MARCIL:

1. Is it the intention of the Post Office Department to change the location of the post office at Caplan East, Quebec, and to transfer it to the adjoining parish of St. Siméon de Bonaventure?
2. If so, who is to be the postmaster, and on whose recommendation is this change made?

Mr. SAUVE:

1 and 2. Arrangements have been made for the closing of Caplan East post office on account of its proximity to Ruisseau Leblanc, three-fifths of a mile.

CHAMBLY CANAL SUPERINTENDENT

Mr. GOULET:

What is the name of the present superintendent of the Chambly canal?

Mr. MANION:

Mr. J. H. Cantin occupies the position of superintendent of the Chambly canal.

UNOPPOSED MOTIONS FOR PAPERS

HOPETOWN AND ST. FRANCOIS D'ASSISES, QUE.—POST OFFICE

Mr. MARCIL:

For a copy of the commissioners' report and evidence in connection with the investigation

held in regard to the post office of Hopetown and St. Francois d'Assises. county of Bonaventure, Quebec, on the instructions of the Postmaster General.

FOREST CITY, N.B.—CUSTOMS AND IMMIGRATION OFFICERS

Mr. VENIOT:

For a copy of all applications and correspondence, as well as the report of the Civil Service Commission, in connection with the appointment of customs and immigration officers at Forest City, New Brunswick.

JAYNES PILE DRIVING COMPANY

Mr. REID:

For a copy of the report of Mr. Brydone Jack, supervising engineer at Vancouver, British Columbia, into matters in connection with a dispute of wages on contract work let to the Jaynes Pile Driving Company, on the south jetty of the Fraser river, British Columbia.

GRONDINES, QUE.—LIGHTKEEPER

Mr. DESROCHERS:

For a copy of all correspondence and reports in connection with the dismissal of Charles W. Laganiere, of Grondines, as lighthouse keeper, on September 11, 1931; also a statement as to whether or not witnesses heard before Mr. Leon Methot in connection with this case were under oath.

DESCHAMBAULT, QUE.—POSTMASTER

Mr. DESROCHERS:

For a copy of the report of the commissioner, and the evidence given at the inquiry held at Deschambault, on January 30, 1931, in connection with the dismissal of Mr. Ferdinand Dussault, as postmaster of that place.

MANITOBA SAVINGS BANK

Mr. WOODSWORTH:

For a copy of all documents, letters, telegrams, reports or other correspondence or communications or memoranda, between the Prime Minister or the Minister of Finance and Mr. Bracken, Premier of Manitoba, relating to the Manitoba Provincial Savings Bank.

Mr. WOODSWORTH:

For a copy of all documents, letters, telegrams, reports or other correspondence or communications or memoranda, between the Prime Minister or the Minister of Finance and the representatives of any of the chartered banks, relating to the Manitoba Provincial Savings Bank.

RAILWAYS AND SHIPPING

On the orders of the day:

Mr. H. E. SPENCER (Battle River): Can the Minister of Railways and Canals tell the house when the special committee on railways and shipping will be called to meet?

Hon. R. J. MANION (Minister of Railways and Canals): It is called to meet to-morrow.

[Mr. Marcil.]

CANADIAN NATIONAL RAILWAYS

SUNNYBRAE-GUYSBOROUGH BRANCH LINE

On the orders of the day:

Mr. WILLIAM DUFF (Antigonish-Guysborough): I should like to address a question to the Minister of Railways. Under clause 1 of chapter 34 of the statutes of 1929, respecting the construction of a Canadian National railway line from Sunnybrae to Guysborough in the province of Nova Scotia, the completion of construction must be made prior to August 31, 1932. Is it the intention of the government to extend the time beyond that date so that the railway may be completed?

Hon. R. J. MANION (Minister of Railways and Canals): I shall give an answer to the hon. gentleman to-morrow.

THE BUDGET

ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

Hon. E. N. RHODES (Minister of Finance) moved:

That Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

He said: Mr. Speaker, in moving that you do now leave the chair for the purpose of enabling the house to resolve itself into committee of ways and means, to make good the supply to be granted to His Majesty for the fiscal year ending March 31, 1933, may I at the outset crave your indulgence for those imperfections which are bound to appear in the discharge of a difficult and onerous task on the part of one who has been Minister of Finance for but a few short crowded weeks.

These imperfections will be the more apparent and my task the more difficult when viewed in the light of the brilliant achievements of my immediate predecessor in office.

This review of the year's financial operations will be made under five headings:

(1) A brief reference to events which have so profoundly disturbed international finance and the consequent reactions on our own situation;

(2) The financial operations and accounts of the dominion for the fiscal year ended March 31, and in this regard it will be understood that the figures are not final but represent the closest estimates that can be made;

(3) Canada's trade and commerce;

(4) The estimated revenue and expenditure for the fiscal year 1932-33, and

(5) Ways and means for securing the revenues required to meet the estimated expenditures.

The past year was replete with financial difficulties and problems, many without precedent. Canada, in common with other nations, was in the midst of a period of declining prices and diminishing revenues. During the summer, coming events began to cast their shadow over international finance. The crisis in Germany, following quickly after the collapse in May of the most important bank in Austria, brought sharply to the attention of the world the need for international action upon the vexed question of reparations and inter-governmental war debts. The proposals of President Hoover for a one year moratorium were heralded as a signal for returning world confidence, but the optimism was unfortunately short lived. Although the debt holiday was accepted after some delay, its effect was partially lost in the controversy which served only to emphasize the difficulties of the situation. Meanwhile, the climax drew near, brought on by a repatriation of credits and consequent withdrawals of gold from countries whose reserves had already been reduced. Throughout the world, gold was ceasing to be a medium of exchange, becoming instead a commodity to be jealously guarded. The pound sterling became daily subject to test and finally the world was startled by the announcement on September 21 that Great Britain had been forced off the gold standard. She was followed in rapid succession by many other countries. In the United States, problems arose as a result, on the one hand, of hoarding by individuals, and, on the other, of the effort of their great financial institutions to build up their "liquid position." The fall of foreign exchanges and the dumping of securities brought on practically a demoralization of the investment markets.

It goes without saying that these events had a peculiar significance for Canada, a debtor country, having at the moment an unfavourable trade balance. Our exchange could be maintained only so long as financial operations, based upon normal conditions and confidence, were resulting in a net inflow of money. Between October 1, 1931, and March 31, 1932, the dominion, provinces, municipalities and semi-public bodies, had, it was estimated, $72,000,000 of debt maturing in New York or London, and, in addition, $80,000,000 of external interest charges had to be provided. Added to these, there were the debts of corporations and individuals. With these obligations to be met, the dislocation of external money markets presented no inconsiderable threat to our credit abroad.

Steps had been taken on September 8 to improve our position in New York by the opening up of negotiations for the sale of $50,000,000 dominion guaranteed bonds of the Canadian National Railways which at that time had $37,000,000 of short-term credits borrowed in that market. The best tender was from a syndicate which purchased $25,000,000 outright and took an option on the remainder. The issue was popularly priced, and the option was exercised. However, much of the buying was on Canadian account, and it was necessary to arrange for partial settlement in Canada, the consequence being that to avoid a serious disruption of the already sensitive exchange situation, only part of the New York short-term loans could be paid off, leaving $18,500,000 to be renewed.

Following the decline in sterling, the Canadian dollar showed continual depreciation. The low was reached on December 16, when the premium on New York funds was 24⅞ per cent. It was realized that, notwithstanding the high credit position of Canada, any effort to stabilize exchange at par with gold could not, under conditions then existing, be successful. Our policy was therefore directed to accomplishing two results: First, to ensure the prompt payment of all obligations due abroad according to contract and, second, to assist in maintaining normal currency and credit conditions within Canada.

On the 14th of September, the government commenced buying the gold production of the larger Canadian mines, on a basis approximate to the value of New York funds. This gold has been used to meet obligations in New York and has been sufficient to keep the dominion out of the exchange market, and at times to provide external gold funds for the National Railways and provinces. From the viewpoint of Canadian commerce, the policy was generally advantageous.

With respect to the internal situation, the needs of industry, of crop-marketing agencies and of public bodies harassed by falling revenues, made it obligatory that credit facilities in Canada continue to operate smoothly and at reasonable cost to borrowers. Also it was imperative that there be no flight from the Canadian dollar through fear of inflation. This could be accomplished only by maintaining domestic confidence and by preserving a reservoir of credit which could be drawn upon to meet any external crisis. It was successfully accomplished under a policy authorized by the order in council of October 19, which, while maintaining the redemption rights under the Dominion Notes Act, permitted the export of gold only under licence issuable by the Minister of Finance to chartered banks. On the 19th of October, the note issue, including those issued under

the Finance Act, was $144,468,571, and the gold holding represented over 45 per cent of the face value of the issue. On the 19th of March, 1932, the note issue, including those issued under the Finance Act, was $142,896,193; the gold holding represented over 45 per cent.

The number of licences issued to March 1 was 182, representing gold to the value of $28,969,566. Of this amount $19,839,286 was on the Dominion's account, being gold purchased from the mines; the balance was the property of miners, banks and individuals who deal in gold.

Well may Canadians look back with satisfaction over what has been accomplished. All external debts have been met on the due dates. The $72,000,000 principal amount of external debts, payable by the public bodies of Canada and maturing before March 31, was provided for partly by repayment and partly by renewal, but at this date only $33,000,000 of the original amount is represented by debt owing abroad, and this balance is so arranged that orderly redemption can be carried out without embarrassment. The holders of Canadian securities with obligations for external payment have received their 80 millions of interest as it became due.

This accomplishment, together with the strength of our banking system and stability of our financial institutions generally, has contributed greatly to the return of confidence, as exhibited in the improvement of the Canadian dollar in the exchange market, and in the higher quotations for Canadian public securities.

Revenues 1931-32

The financial statements published from month to month during the year have indicated that, in common with all other countries in the world, we have experienced a marked decline in taxation revenue, which represents approximately 83 per cent of the total receipts of the government. Of the major sources, the income tax alone has brought in approximately the sum estimated, having yielded $61,000,000. Customs receipts fell to $102,800,000, reflecting the drop in the value of imports occasioned by a number of factors, such as the further decline in prices, the unfavourable exchange rate as regards importations from the United States and generally the policy of encouraging production in Canada.

The total receipts from taxes will be $273,300,000, a statement of which, together with the comparative figures for the previous four years, is now submitted.

Taxation Revenues
(000 omitted)

—	1927-28	1928-29	1929-30	1930-31	Estimated 1931-32
	$	$	$	$	$
Customs Import Duties	156,986	187,206	179,430	131,209	102,891
Excise Duties	57,401	63,685	65,036	57,747	48,688
War Tax Revenues:					
Banks	1,225	1,243	1,408	1,429	1,397
Trust and Loan Companies	345	8	.....	.....	.....
Insurance Companies	999	895	74	74	.....
Delayed Business Profits	956	455	173	34	3
Income Tax	56,571	59,422	69,021	71,048	61,000
Sales Tax	72,100	63,646	44,859	20,784	41,271
Manufacturers' stamp, transportation taxes, etc	18,123	19,361	18,550	13,951	18,098
Total Receipts from Taxation	364,706	395,921	378,551	296,276	273,348

Public Service Revenues

Collections from the various public services, it is estimated, will total $54,000,000. Post office, which is the major contributor under this head, will show an increase of $1,500,000 due to the raise in postage rates and because postage stamps may now be used for certain excise stamp taxes. The post office revenues are estimated at $31,748,000, as against expenditures estimated at $34,550,000. This does not include disbursements made by other departments on account of post office, nor does it, on the other hand, give any credit for handling the mail of the various branches of the public service free of charge.

Interest on investments, being payments from harbour commissions, boards, etc., financed by way of loans from the Dominion, and including the regular payments by Roumania on its loan, it is estimated will total $10,000,000. In this is included the interest paid by the chartered banks for advances under the Finance Act, which it is estimated will amount to $360,247, as compared with $539,984 last year. A five year comparison of the revenue from these public services follows:

Non-Tax Revenues

—	1927-28	1928-29	1929-30	1930-31	Estimated 1931-32
	$	$	$	$	$
Can. Grain Act	2,677,877	2,992,540	2,047,207	2,179,047	1,435,054
Can. Gazette	81,243	80,214	93,890	71,197	71,229
Canals	1,355,677	1,230,333	1,043,647	1,026,671	981,963
Casual	3,626,236	4,041,095	4,300,710	3,678,487	4,035,864
Chinese Revenue	14,179	18,224	14,345	21,996	11,533
Dominion Lands	3,688,595	4,070,339	4,139,104	1,655,401	486,974
Electricity	563,913	563,964	546,957	632,151	389,405
Fines and Forfeitures	568,140	655,485	748,343	433,716	241,326
Fisheries	119,144	109,300	110,724	73,937	40,197
Gas Inspection	85,716	92,398	100,763	94,255	75,513
Insurance Inspection	123,768	131,626	138,780	148,942	150,993
Interest on Investments	10,937,822	12,227,562	13,518,205	10,421,224	9,997,357
Marine	191,564	182,810	184,637	199,000	137,358
Mariners' Fund	222,048	236,808	209,322	201,768	186,018
Military College	20,232	20,204	19,820	19,882	20,045
Military Pension Revenue	128,017	155,830	158,881	159,000	159,991
Ordnance Lands	14,206	24,830	30,277	29,384	13,769
Patent and Copyright Fees	495,792	530,239	574,918	559,646	522,846
Penitentiaries	177,933	178,449	181,024	183,288	145,086
Post Office	31,562,580	30,611,964	33,345,385	30,212,326	31,747,750
Premium Discount and Exchange	594,211	568,846	531,366	521,026	2,754,526
Public Works	395,281	414,085	408,151	362,391	358,083
R.C.M.P. Officers' Pens	6,144	6,373	6,471	6,357	6,871
Superannuation Fund	172	81	5	.....	.....
Weights and Measures	361,690	399,247	407,248	419,750	400,455
Total Non-Tax Revenues	58,012,180	59,542,846	62,860,180	53,310,842	54,370,206

Special Receipts

Having accepted the principle of the moratorium in respect of inter-governmental debts, our receipts from German reparations annuities were reduced to $1,001,570 applicable to the period prior to the 1st of July.

This has been supplemented by $6,000,000 received from the custodian of enemy property and taken into our accounts as a partial offset to the disbursements from the consolidated revenue fund in respect of compensation paid to civilians for damages sustained in the war.

The following is a comparative summary of the total revenues over the last five-year period:

Summary of all Revenues

(000 omitted)

—	1927-28	1928-29	1929-30	1930-31	Estimated 1931-32
	$	$	$	$	$
Receipts from Taxation	364,706	395,921	378,551	296,276	273,348
Non-Tax Revenues	58,012	59,543	62,860	53,311	54,371
Consolidated Fund Receipts	422,718	455,464	441,411	349,587	327,719
Special Receipts	7,129	5,476	4,771	6,622	7,022
Grand Total	429,847	460,940	446,182	356,209	334,741

Ordinary Expenditures 1931-32

The ordinary expenditures for the year are placed at $378,700,000, which is approximately $19,000,000 less than was estimated. The expenditures on services for which provision is made annually by vote actually were $25,000,000, less than the amounts authorized by parliament. On the other hand, certain statutory expenditures, such as subsidies to provinces, old age pensions and exchange, exceeded the estimate by $6,000,000.

Over $3,635,000 was in connection with exchange, mainly the premium on gold pur-

chased from the mines. This expenditure was largely offset on the revenue side by credits totalling $2,248,000, resulting from the sale of New York exchange and the discount on sterling purchased to meet London requirements. A further credit of $506,000 was realized in the purchase below par of sterling securities for sinking funds, which made a net expense for the year on premium, discount and exchange of $881,000.

A statement by services of expenditure on ordinary account for the last five fiscal years is as follows:

Expenditures by Services on Ordinary Account

(000 omitted)

—	1927-28	1928-29	1929-30	1930-31	Estimated 1931-32
	$	$	$	$	$
Finance—					
Interest on Public Debt	128,903	124,990	121,566	121,290	121,163
Subsidies to provinces	12,517	12,554	12,497	17,436	13,695
Charges of management	885	923	1,016	920	874
Premium, Disc. and Exchange	42	67	73	19	3,635
Superannuation	1,499	1,409	1,321	1,238	1,148
Civil Government	11,576	11,820	12,258	12,628	12,181
Agriculture	6,488	7,202	9,287	9,144	9,275
Fisheries	1,751	1,974	2,274	2,262	1,922
Immigration	2,705	2,632	2,757	2,255	1,857
Indian Affairs	4,200	4,598	5,135	5,866	4,861
Interior—					
Dominion Lands and Parks	4,083	4,987	5,480	4,970	2,659
Scientific Institutions	734	794	817	817	550
Govt. of N.W. Territories	250	318	435	546	376
Govt. of the Yukon	178	184	186	201	184
Justice—					
Administration	2,191	2,203	2,199	2,214	2,216
Penitentiaries	1,756	1,808	2,561	3,237	2,808
Labour—					
Technical Education	966	1,152	413	391	300
Old Age Pensions	131	833	1,537	5,658	10,251
General	314	365	416	511	353
Legislation—					
Parliament	1,996	2,264	2,293	2,428	2,779
Elections	45	62	26	2,235	127
Marine—					
Ocean and River	3,749	3,683	5,136	3,639	3,824
Lighthouse and Coast	2,771	2,813	2,875	3,392	2,620
Scientific Institutions	270	288	317	368	417
Steamboat Inspection	131	141	140	144	144
Mines	624	679	806	789	649
National Defence—					
Militia Services	10,152	11,044	11,033	10,953	9,802
Naval Services	1,702	1,836	3,013	3,598	3,215
Air Services	3,892	5,041	5,921	7,147	4,072
General Services	116	103	227	127	4
Govt. N.W.T. (Radio)	143	139	140	218	198
National Revenue	11,801	12,877	13,131	13,206	13,033
Pensions, War, etc	39,778	41,487	40,407	45,966	48,529
Pensions and National Health—					
Treatment and after-care of returned soldiers	6,959	7,902	8,494	9,774	11,244
Health	771	924	1,021	943	895
Post Office	31,783	33,483	35,037	36,293	34,551
Public Works—					
Charges to Income	14,037	17,003	18,134	23,763	16,060
Charges to collection of revenue	943	940	924	936	774
Railways and Canals—					
Maritime Freight Rates Act, 1927	3,471	7,178	7,401	10,327	11,247
Other Charges to Income	2,367	1,120	1,280	1,200	895
Charges to collection of revenue	2,535	2,405	2,460	2,911	2,683
R.C.M. Police	2,300	2,601	2,902	2,955	3,287
Soldier and General Land Settlement Administration	1,334	1,442	1,362	1,300	1,043
Trade and Commerce—					
Canada Grain Act, Exhibitions, etc	4,016	4,476	4,894	6,586	8,137
Bounties, copper bars, etc	83	79	40	92	145
Mail Subsidies and Steamship Subventions	845	1,026	1,083	1,323	3,025
Other Expenditures	6,385	7,104	5,055	5,342	5,036
Total Ordinary Expenditures	336,168	350,953	357,780	389,558	378,743

[Mr. Rhodes.]

Capital Expenditures

The amount voted for capital expenditures was $18,861,000, of which it is estimated $16,975,000 was spent in 1931-32. A year ago the expenditures on capital account were $28,200,000. Savings of $600,000 were made by the Department of Public Works and $1,300,000 by Railways and Canals. The principal items of expenditure were: Hudson Bay railway, $5,215,000; Welland canal, $2,940,000; St. Lawrence river channel dredging, $4,200,000; and the Research building, Ottawa, $1,700,000.

A five-year comparison of capital expenditures follows:

Capital Expenditures

(000 omitted)

—	1927-28	1928-29	1929-30	1930-31	Estimated 1931-32
	$	$	$	$	$
Canals	13,763	13,164	9,324	9,842	3,255
Railways	3,592	6,302	6,663	6,371	6,269
Public Works	3,281	3,343	6,574	12,009	7,451
	20,636	22,809	22,561	28,222	16,975

Special Expenditures

It is estimated that special expenditures will amount to $55,100,000, as compared with $16,789,000 on this account in the previous year. The chief items are wheat bonus and unemployment relief.

The wheat bonus will cost $11,000,000 as compared with the estimate made originally of $7,000,000, the increase being due to the fact that the crop proved to be greater than was anticipated.

Unemployment Relief Act, 1930

A reference to the Public Accounts will disclose that as of March 31, 1931, the sum of $4,432,000 had been paid on account of unemployment relief under the authority of the act of 1930. In the year now under review, expenditures on the authority of that act will, it is estimated, amount to $13,250,000. This brings the total expenditure by the Dominion under the authority of the 1930 legislation to $17,682,000. A small residue of accounts has still to be adjusted, the estimated amount being $400,000.

Unemployment and Farm Relief Act, 1931

Expenditures under the Unemployment and Farm Relief Act of 1931 fall into three divisions:

(1) Dominion services, the whole cost of which is borne by our treasury;

(2) Provincial and municipal public works, to which the Dominion contributes an agreed proportion and

(3) Direct relief, to which also the Dominion contributes a proportion of the provincial and municipal expenditures.

Under Dominion services, expenditures amounting to $6,481,000 have been approved, of which $3,765,000 will be chargeable to the accounts of the fiscal year now ended. The distribution by departments is as follows:

Public Works	$ 1,560,000
Railways and Canals	568,000
Interior	885,000
National Defence	71,000
Justice	83,200
Board of Railway Commissioners	500,000
National Battlefields' Commission	25,000
Agriculture	7,000
Administration	65,800
	$ 3,765,000

The program of provincial and municipal public works involves an expenditure estimated at $70,469,675, of which the Dominion's contribution is placed at $26,586,763. These undertakings are under the control of either provincial or municipal authority, and payments of the Dominion's contribution are made only after the submission of accounts for expenditure, duly certified by the appropriate provincial authority. Under this head, provision is made in the accounts of the fiscal year 1931-32 for disbursements of $12,278,000. The following statement shows a division of this program of works by provinces:

Unemployment Relief Works, 1931

Province	Total Works	Dominion Share	Provincial and Municipal Share
	$	$	$
Prince Edward Island	272,250	125,000	147,250
Nova Scotia	2,546,869	999,923	1,546,946
New Brunswick	1,911,870	749,692	1,162,178
Quebec	14,612,975	4,643,808	9,969,167
Ontario	27,869,177	8,790,833	19,078,344
Manitoba	6,565,495	2,931,987	3,633,508
Saskatchewan	5,519,843	2,759,922	2,759,921
Alberta	5,171,225	2,585,612	2,585,613
British Columbia	5,999,971	2,999,986	2,999,985
	70,469,675	26,586,763	43,882,912

For direct relief, the federal contribution chargeable to the 1931-32 accounts is estimated at $8,957,000, the major part of which applies to the drought areas in Saskatchewan.

To sum up, these special expenditures for unemployment and farm relief in the fiscal year 1931-32 will be $13,250,000 under the legislation of 1930, and $25,000,000 under the legislation of 1931, a total of $38,250,000, and the balance of commitments to be carried over into the next fiscal year will be $16,000,000, not including provision for direct relief beyond the actual disbursements mentioned above. The latter requirements are difficult to estimate as they are governed by the exigencies of the situation in the different provinces and it requires a considerable period after the actual relief payments are made for the accounts for the Dominion's share to reach Ottawa.

Provincial Financing

Having dealt with expenditures for unemployment and farm relief, it may be appropriate, while on the subject, to refer to further assistance rendered to provincial governments by way of loans. It is a matter of common knowledge that for some months various provincial bodies have been unable to issue securities on the New York market, where they have had obligations falling due. In order to protect the credit of Canada as a whole, temporary assistance was given to certain of the provinces in meeting their obligations, but in no instance did the government undertake the role of banker with respect to the redemption of maturing provincial debts in New York until it was satisfied that every other avenue had been diligently explored by the province without success. The sums advanced under this head total $11,637,190. In addition to this amount, $10,794,000 was loaned for internal purposes, including provincial share of relief works. In those instances the government's assistance was given as a part of its relief program on the urgent representations of the provinces that in existing circumstances their commitments could not be fulfilled without such aid from the Dominion. As security, the Dominion holds one-year treasury bills of the provinces and the rate of interest charged is that which the Dominion had to pay for the money. The loans by provinces are:

—	Loans covering obligations maturing in New York	Loans for public works and relief	Loans for governmental services	Total
	$	$	$	$
Manitoba	1,189,185	1,794,733	.....	2,983,918
Saskatchewan	3,934,341	500,000	6,500,000	10,934,341
Alberta	3,142,000	1,000,000	.....	4,142,000
British Columbia	3,371,664	1,000,000	.....	4,371,664
	11,637,190	4,294,733	6,500,000	22,431,923

Including loans and expenditures, Dominion disbursements on account of unemployment relief and assistance to the provinces, will total $60,681,923 as follows:

Act of 1930		$13,250,000
Act of 1931—		
Federal Services	$ 3,765,000	
Provincial and Municipal Works	12,278,000	
Direct Relief	8,957,000	
		25,000,000
Loans to provinces (not including advance payments on account of Dominion contributions)—		
Manitoba	2,983,918	
Saskatchewan	10,934,341	
Alberta	4,142,000	
British Columbia	4,371,664	
		22,431,923
		60,681,923

A comparative statement showing special expenditures during the last five fiscal years follows:

Statement of Special Expenditures

(000 omitted)

——	1927–28	1928–29	1929–30	1930–31	Estimated 1931–32
	$	$	$	$	$
Adjustment of War Claims	1,861	120	95	110	86
Cost of Loan Flotations	13	11	17	193	1,336
Miscellaneous Charges	1,692	2,056	3,027	2,955	3,407
Reparations: Claims for Compensation	.....	.....	6,700	500	1,027
Unemployment Relief 1930	.....	.....	.....	4,432	13,250
Unemployment Relief 1931	.....	.....	.....	.....	25,000
Wheat Bonus	.....	.....	.....	.....	11,032
Reduction of Loans to Soldier Settlers	.....	.....	.....	8,599	.....
	3,566	2,187	9,839	16,789	55,138

Loans and Advances Non-Active

Advances to certain corporations, being non-interest producing, are treated as expenditures in estimating our debt position. These advances were three in number—$1,360,000 to the Merchant Marine and Canadian National (West Indies) Service, $1,495,000 to Quebec Harbour Commission, and $534,000 in payment of interest which the Dominion guaranteed on bonds issued by the Harbour Commissioners of Montreal in connection with the harbour bridge. There is now presented a five-year summary of expenditures under the heading of Loans and Advances, Non-Active:

Statement of Loans and Advances, Non-Active

(000 omitted)

——	1927–28	1928–29	1929–30	1930–31	Estimated 1931–32
	$	$	$	$	$
Loans to Canadian National Railways	.....	.....	2,933	.....	.....
Loans to Canadian National Steamships	1,000	758	2,491	1,827	1,361
Loans to Quebec Harbour Commissioners	1,458	2,888	2,821	3,491	1,495
Miscellaneous Non-Active Accounts	.....	.....	17	170	534
Accounts carried as Active Assets transferred to Non-Active	16,036	10,000	.....	.....	.....
	18,494	13,646	8,262	5,488	3,390

The total of all expenditures for the year is $454,246,000. A comparative statement summarizing the expenditures by divisions, is now submitted:

Summary of all Expenditures

(000 omitted)

—	1927–28	1928–29	1929–30	1930–31	Estimated 1931–32
	$	$	$	$	$
Ordinary expenditure	336,168	350,953	357,780	389,558	378,743
Capital	20,636	22,809	22,561	28,222	16,975
Special	3,566	2,187	9,839	16,789	55,138
Loans and advances non-active	18,494	13,646	8,262	5,488	3,390
	378,864	389,595	398,442	440,057	454,246

Having detailed the revenues from all sources and the expenditures under the appropriate divisions, the net result of the accounts for the year may now be indicated. With ordinary revenues of $327,719,000 and ordinary expenditures amounting to $378,743,000, the resulting deficit on ordinary account is $51,024,000, which has occurred as a consequence of the decreased yield from taxation and notwithstanding the reductions made in expenditures. Special expenditures, including $49,282,000 for unemployment relief and wheat bonus as previously detailed, total $55,138,000. As an offset to this amount, $7,022,000 was received in special revenues, leaving a balance not provided from income of $48,116,000. In addition, there are the capital expenditures of $16,975,000 and loans and advances non-active of $3,390,000. The amount, therefore, of the increase in debt for the year is $119,505,000.

1931 Conversion Loan

Reference was made in the budget last year to the conversion loan campaign which had just closed. As a matter of record, the final figures in connection with this debt operation are now presented: Of the $1,084,800,000 in bonds eligible for conversion, $638,600,000, or sixty per cent, were converted. This operation did not involve any change in the amount of public debt outstanding, as the exchange was made at par. Details of the conversion are:

Loans Eligible for Conversion	Amount Outstanding May 1, 1931	Amount Converted
5% War Loan maturing October 1, 1931	$ 52,929,600	$ 38,625,700
5½% Renewal Loan maturing Nov. 1, 1932	73,323,150	37,523,200
5½% Victory Loan maturing November 1, 1933	446,659,950	276,688,100
5½% Victory Loan maturing November 1, 1934	511,910,650	285,772,300
	$ 1,084,823,350	$ 638,609,300

While the conversion had no immediate effect on the annual interest charges, the government will benefit substantially within the next few years by reason of the lower interest rates obtained. This is indicated by the following statement:

Fiscal year	Saving in interest
1932–33	$ 193,128
1933–34	568,360
1934–35	3,335,241
1935–36 and annually thereafter	6,192,964

The time for this conversion loan was admirably chosen. Its execution was attended with outstanding success, and its effect upon our financial position has been marked. That this is so is due entirely to the vision of the Prime Minister whose conception it was and under whose guidance it was conducted. The total expenses in connection with the Conversion Loan were slightly over one-half of one per cent.

The conversion loan operations had resulted in 70 per cent of the October 1st maturity be-

ing refunded. There remained only about $13,000,000 to be paid on the due date. The state of the public finances did not permit this to be met out of current revenues. Consequently in August, Canadian institutions were invited to tender for the purchase of all or part of $13,000,000 to be absorbed into the 1946-56 Conversion Loan series at the interest rate of 4½ per cent. Tenders were accepted at par for $4,500,000. The balance was arranged through temporary credits with the Bank of Montreal, which were later paid off from the proceeds of the National Service Loan.

Temporary Borrowings

In September last the Canadian National Railways required funds in New York to meet maturing credits and these were financed directly by the government by an issue of $18,500,000 in three months' 2¼ per cent treasury bills, which were sold to the Chase National Bank of New York at par. At the same time, $500,000 was borrowed for purposes of the Dominion, making the total $19,000,000. When the bills matured in December, $1,000,000 were redeemed and the balance renewed for ninety days at 5 per cent; subsequently $3,000,000 were redeemed, leaving $15,000,000 still outstanding.

Pending flotation of the National Service Loan in November, it was necessary to borrow temporarily on treasury bills from the chartered banks in Canada, an aggregate amount of $34,800,000. These bills have since been retired.

National Service Loan

A major operation for the year was the flotation of the 5 per cent National Service Loan in November. The subscription lists were opened on November 23rd with provision that they might remain open until December 12th. The bonds were offered for public subscription in two maturities at a price of 99·25 and accrued interest for the five-year bonds, and at 99 and accrued interest for the ten-year bonds maturing in 1941. The campaign was under the direction of a Dominion-wide management committee, under the chairmanship of Sir Charles Gordon, President of the Bank of Montreal.

The offering was $150,000,000 and, while provision was made for the campaign to extend over a period of twenty days, the issue met with such popular response, that the amount was substantially over-subscribed and the lists closed on November 30th; but, to meet popular demand, subscribers on November 30th were allowed to offer in payment cheques dated December 1st. The accepted over-subscription was $71,198,200, the total issue being $221,198,200, of which $79,535,200 was for the 1936 maturity and $141,663,000 for the 1941 maturity. The total number of subscriptions was 109,000, indicating that the loan was widely distributed. While the banks made application for $30,000,000 the government took the view that it was in the national interest to give the preference to small investors; therefore, when subscriptions far exceeded the $150,000,000 offering, the banks were asked to withdraw their applications.

The following statement indicates the extent and nature of the distribution:

National Service Loan

Distribution of Subscriptions

—	Number	Amount
Subscriptions of less than $1,000	55,761	$ 21,629,900
Subscriptions of $1,000 to $5,000 inclusive	48,649	88,889,900
Subscriptions of $5,100 to $10,000 inclusive	2,937	24,106,900
Subscriptions of $10,100 to $25,000 inclusive	1,013	18,154,200
Subscriptions of $25,100 to $50,000 inclusive*	310	12,815,900
Subscriptions of over $50,000*	241	52,918,200
Unallocated	.....	2,683,200
	108,911	$ 221,198,200

* Largely made by institutions.

In making announcement on the night of November 29th of the acceptance of the oversubscription which, due to the influx of applications on the last day, turned out to be much larger than was then anticipated, it was stated that the government would put into

motion a plan whereby the excess would be used for debt reduction. As of this date, $50,745,000 of debt has been taken up, while over $11,600,000 is temporarily invested in provincial treasury bills of the four western provinces taken in connection with New York debts.

The expense of raising the National Service Loan, including commissions, advertising, printing and delivery of securities, was less than one per cent.

Canadian National Railway Company

The annual report of the Canadian National Railway Company for the year 1931 having already been presented to the house and the whole railway problem being under review by a royal commission, remarks under this head will be confined to a brief statement of the operating results and capital requirements in the year and the financing arranged.

The year 1931 was marked by a further severe drop in gross earnings to a low point since 1919, and notwithstanding reduced operating expenses, the system's operations (excluding eastern lines) showed a net income deficit of $84,262,000 after taking into consideration all debt charges, an increase of $23,000,000 over 1930. Deducting the interest charged but not paid upon debt to the government represented by loans and advances carried in the public accounts as non-active assets, the loss amounted to $52,200,000 and this is the amount which might be considered as the addition to the country's deficit for the year, in interest charges in respect of government loans having already been absorbed in the public accounts.

In addition to provision for the deficit, it was necessary to provide a further large sum for capital expenditures and the retirement of railway debt. While new capital expenditures were greatly curtailed in 1931, commitments arising out of expenditure programs for branch lines, terminals and hotels undertaken prior to 1930, were still large. The total financial provision which the government was required to make, either directly or indirectly, for expenditures of the Canadian National Railways in 1931, was $108,976,265, made up as follows:

Deficit, Canadian National Railways, excluding Eastern Lines	$ 52,255,676	
Deficit, Eastern Lines	8,712,762	
		$ 60,968,438
Capital expenditures including new equipment		33,990,106
Debt retirement		9,791,691
Discount on securities issued		4,226,030
		$108,976,265

Of these requirements, $41,282,899 are being furnished by way of advances by the government out of the proceeds of the National Service Loan and temporary borrowings in New York already referred to. The deficits on the Eastern Lines, amounting to $8,712,762 have, in accordance with the provisions of the Maritime Freight Rates Act, been paid as an expense of the government and are included in the statement of expenditures submitted. The balance of the requirements, namely, $58,980,604, including discount, was provided from the proceeds of Canadian National Railway bonds guaranteed by the government. These proceeds came, in part, from an issue (dated February 1, 1931) made in the previous fiscal year and, in part, from the $50,000,000 4½ per cent 20-year bonds, to which reference has already been made, sold in New York early in September last, at a cost of 4·79 per cent. Only $38,589,599.15 of this issue was applicable to 1931 expenditures, as $11,410,400.85 of the bonds were sold to redeem a temporary bank loan carried over from the previous year. The guarantee of the securities was authorized by legislation of 1931.

The advances made by the government stand as to $29,910,400.85 under authority of the Canadian National Railways Financing and Guarantee Acts of 1931, and as to $11,372,498.86 under the supplementary legislation recently passed by parliament to provide for expenditures up to the end of 1931 in excess of amounts authorized for such purposes.

These advances have been made from the treasury under legislation which anticipates repayment through the sale of securities guaranteed by the government. It may, of course, transpire that such repayment will not be practicable and that the company will find it is unable to assume carrying charges on this debt. It has not been considered advisable, however, to take these advances into our accounts as expenditures, pending the determination of policy with reference to the future financing of the company after the report of the Royal Commission on Railways has been received and considered.

The estimate which is before the house for the operations of the Canadian National Railways for the year 1932, is $61,500,000, to which $6,217,000 is to be added for Eastern Lines deficit, after crediting the 20 per cent reduction in tolls, making a total of $67,717,000. Of this amount, about $49,000,000 represents the estimated deficit after paying interest on funded debt held by the public but without provision for interest on the government's capital in the system. The total shows a

considerable reduction from the requirements in the past few years but it is still a very large figure and constitutes one of the country's major financial problems. Outside of the interest on the national debt of the dominion, it is the largest single item in the country's budget and represents over one-seventh of the money which the government is called upon to raise for all current purposes.

Indirect Liabilities of the Government

The amount of railway securities presently outstanding bearing the guarantee of the Dominion of Canada, is $969,683,288, to which should be added $31,235,118 of securities guaranteed for other enterprises, making a total of guaranteed obligations outstanding as of March 31, 1932, of $1,000,918,406, as compared with $954,917,112 a year ago, a net increase of $46,001,294. The total funded debt of the Canadian National Railways to the public now amounts to $1,274,587,745.

Steamship Companies

The steamship companies operated on behalf of the government, which are budgeted for on the basis of actual cash outlay required in the year, received advances from the dominion treasury amounting to $1,360,853, divided as follows: Canadian Government Merchant Marine, Limited, $444,285, and Canadian National (West Indies) Steamships, Limited, $916,568.

Harbour Commissions

Advances to harbour commissions in 1931-32 totalled $14,148,540. The chief expenditure, amounting to approximately $5,800,000, was made in Saint John where a reconstruction program was necessary on account of the disastrous fire which occurred there. The balance of the expenditure consisted mainly of commitments in connection with the completion of development programs undertaken prior to 1930.

The following statement shows the amounts advanced to each commission in 1931-32, and the total advances to date:

Advances to Harbour Commissions

—	Advances 1931-32	Advances to date
	$	$
Chicoutimi	465,000	2,626,000
Halifax	2,752,000	7,593,000
Montreal—Harbour	1,412,000	57,389,000
" Bridge (deficit)	534,000	704,000
New Westminster	170,685	170,685
Quebec	1,495,000	25,924,995
Saint John	5,763,855	9,170,855
Three Rivers	747,000	2,426,600
Vancouver	809,000	21,416,900
	14,148,540	127,422,035

The Quebec commission does not pay any interest, and consequently its loans are treated as non-active assets. This also applies to the advances made to enable the harbour commissioners of Montreal to meet the deficit on the harbour bridge. The other loans have paid interest and are carried as active assets, although it may be observed that some adjustments may prove necessary in this respect in the near future.

Canadian Farm Loan Board

The loaning operations of the Canadian Farm Loan Board were again financed from the dominion treasury by the purchase of $1,500,000 of the board's 5 per cent bonds at par. In addition $107,603 was paid for capital stock of the Board in accordance with the provisions of the Canadian Farm Loan Act. The total capital furnished by the Dominion government for the board's operations since its inception amounts to $7,216,465, divided as follows:

Initial Capital	$ 5,050,000
Purchase of Bonds	1,800,000
Purchase of Capital Stock	366,465
	$ 7,216,465

Wheat Marketing Guarantees

Under the authority of section 3 of chapter 58, statutes of 1931, orders in council concerning the marketing of the western grain crops were made. The house will recall the problems which the Canadian Cooperative Wheat Producers, Limited, faced in financing its operations in connection with the 1930 crop. The government, believing that it was in the national interest to protect the credit of the marketing agencies in such a way that the grain might be marketed to the general advantage of growers, had given an undertaking to the seven chartered banks concerned, which then made available the necessary credits. The undertaking was given status by order in council P.C. 2238, dated September 12, 1931. This undertaking has served its purpose, and without cost to the treasury. Based upon present market prices, the expectation is that, when all accounts are settled, the Canadian Cooperative Wheat Producers, Limited, will be able to settle all advances without recourse being had to the dominion's guarantee.

With respect to the 1931 crop, the three semi-public marketing agencies in the prairie provinces found their position a perilous one at the commencement of the marketing season. The assets usually pledged against bank credits were already encumbered, thus restricting the credit available. Representations on their behalf were made to the Dominion

government by the premiers of the three provincial governments concerned, and, as a result, an order in council was passed on September 12, 1931, authorizing dominion guarantee of credits under certain conditions to the Manitoba Pool Elevators, Limited; Saskatchewan Pool Elevators, Limited; and Alberta Pool Elevators, Limited, calculated against their respective working capital at the commencement of the 1931 marketing season. However, the certificates of the chartered accountants directed to establish the amount of working capital showed that the proposed basis would not be a satisfactory one, and, therefore, a subsequent order in council was issued establishing specific amounts which the Dominion would guarantee under certain conditions. The amounts were: Manitoba Pool $1,250,000; Saskatchewan Pool $12,000,000; Alberta Pool $7,500,000. This plan has functioned to the satisfaction of all concerned and no liability has developed against the Consolidated Revenue Fund.

The operations of the year are summarized in a condensed cash statement, which now follows:

Condensed Cash Statement, 1931-32

(estimated)

Receipts:—		
Cash balances in banks, March 31, 1931		$ 44,599,432 02
Loans and advances repaid:—		
Provincial Housing Loans	$ 150,500 00	
Government of Greece	115,000 00	
Soldier Settlement Loans	783,900 00	
		1,049,400 00
Loan Proceeds:—		
National Service Loan	219,185,056 00	
Conversion Loan	4,500,000 00	
Temporary Loan, New York	19,000,000 00	
		242,685,056 00
Annuities, Insurance, Superannuation Funds—net accretion		10,130,581 80
Bullion and Specie, reduction in free holdings		7,883,448 00
Royal Canadian Mint bullion advance account—reduction		1,084,964 81
Revenues, 1931-32		334,740,468 00
		$ 642,173,350 63
Payments:		
Reductions in Liabilities:		
Post Office Savings Bank withdrawals		$ 831,855 58
Post Office Money Orders, etc., redeemed		734,193 82
Redemption of Debt:		
War Loan 1916-31	$ 12,627,000 00	
Temporary Loan, N.Y.	4,000,000 00	
Public Service Loan, N.Y., 1916-31	24,924,000 00	
Renewal Loan 1922-32	1,350,000 00	
Misc. Matured Stock and Bonds	82,072 04	
		$ 42,983,072 04
Bond Purchase Account		3,368,870 50
Bonds and Stock acquired for sinking funds		3,834,185 00
Matured Coupons redeemed		127,782 34
Cost of Loan Flotations—Unamortized		4,491,521 28
Investments—Active Assets:		
Provincial Governments, Relief Act, 1931	22,431,923 00	
Canadian National Railways	41,282,899 00	
Harbour Commissions	12,119,540 00	
Canadian Farm Loan Board	1,607,603 00	
		77,441,965 00
Miscellaneous Accounts		912,539 38
Expenditures, 1931-32		454,246,018 00
Cash Balances in banks, March 31, 1932		53,201,347 69
		$ 642,173,350 63

[Mr. Rhodes.]

Continuing the practice introduced last year, the cash statement is followed by the balance sheet. The active assets are made up of cash balances and specie accounts, loans and advances which are realizable or income-producing, and other miscellaneous accounts. These assets are taken as an offset against the gross liabilities in arriving at the net debt.

Total liabilities as at March 31, 1932, being estimated at $2,832,355,834, and active assets at $451,238,348, the resulting net debt figure is $2,381,117,486.

The balance sheet follows:

Liabilities, March 31, 1932

(estimated)

Dominion Notes Outstanding		$ 157,300,000 00
Bank Circulation Redemption Fund		6,811,792 41
Insurance and Superannuation Funds:		
Government Annuities	$ 26,643,412 41	
Insurance Fund, Civil Service	7,026,451 72	
Insurance Fund, Returned Soldiers	10,340,486 30	
Retirement Fund	6,888,204 08	
Superannuation Funds	39,488,306 22	
		$ 90,386,860 73
Trust Funds:		
Indian Funds	$ 13,591,800 48	
Common Schools Funds	2,668,449 17	
Contractors' Securities Deposits	560,000 00	
Other Trust Funds	2,163,541 17	
		$ 18,983,790 82
Contingent and Special Funds		1,847,315 00
Post Office Money Orders, Postal Notes, etc., outstanding		3,401,154 10
Province Accounts		9,623,816 77
Post Office Savings Bank Deposits		23,918,371 39
Temporary Loan		15,000,000 00
Funded Debt:		
Unmatured	$ 2,501,782,733 23	
Matured but not presented for payment	1,000,000 00	
		2,502,782,733 23
Interest coupons matured but not presented for payment		2,300,000 00
		$ 2,832,355,834 45

Active Assets, March 31, 1932

(Estimated)

Cash balances in banks		$ 53,201,347 69
Specie Reserve	$ 64,600,000 00	
Advances to banks under Finance Act	32,000,000 00	
		96,600,000 00
Loans to provinces for housing	10,521,187 72	
Loans to provinces, Relief Act, 1931	22,431,923 00	
		32,953,110 72
Loans to Foreign Governments:		
Greece	6,525,000 00	
Roumania	23,969,720 00	
		30,494,720 00
Loans to Harbour Commissioners:		
Chicoutimi	2,626,000 00	
Halifax	7,593,000 00	
Montreal	57,389,000 00	
Saint John	9,170,855 00	
Vancouver	21,416,900 00	
Three Rivers	2,426,600 00	
New Westminster	170,685 91	
		100,793,040 91
Canadian Farm Loan Board		7,216,465 00
Soldier and General Land Settlement		47,366,985 44
Seed Grain and Relief Advances		2,391,971 84
Canadian National Railways		41,282,899 00
Bond purchase Account		4,403,676 06
Advances for Working Capital and Miscellaneous:		
Advances to Royal Canadian Mint	3,223,200 00	
Can. Govt. Railways Open and Stores Accounts	15,748,921 60	
Miscellaneous	3,020,994 36	
		21,993,115 96
Deferred Debits:		
Unamortized discount and commission on loans		12,541,015 28
		$ 451,238,347 90

Non-Active Assets, March 31, 1932

(Estimated)

Canadian National Railways		$ 614,406,239 42
Canadian National Steamships		16,911,482 55
Harbour Commissioners—		
Quebec	$ 25,924,995 68	
Montreal and Three Rivers	783,452 56	
		26,708,448 24
Seed Grain and Relief Advances		782,464 71
Soldier and General Land Settlement		16,468,957 95
Miscellaneous Advances		997,987 23
Capital Accounts—		
Canals	237,033,725 90	
Railways	441,960,292 77	
Public Buildings, Harbour and River Improvements	243,349,535 87	
Military Property and Stores	12,035,420 50	
Territorial Accounts	9,895,947 68	
		944,274,922 72
Railway Accounts (old)		88,398,828 78
Consolidated Fund Balance as at debit, March 31, 1932		672,168,154 95
Net Debt, March 31, 1932		$2,381,117,486 55

Completing the statistical tables to be submitted, there are those showing by maturity dates the direct obligation of the Dominion in the form of unmatured funded debt and the indirect obligation represented by guaranteed securities outstanding in the hands of the public, as follows:

Unmatured Funded Debt as at March 31, 1932, and Annual Interest Charges

Date of maturity	Rate	Where payable	Amount of loan	Interest charges 1932-33
	p.c.		$ cts.	$ cts.
1932—				
Nov. 1	5½	Canada	34,449,950 00	1,894,747 25
Dec. 1	4	Canada and New York	40,000,000 00	1,600,000 00
1933—				
Nov. 1	5½	Canada	169,971,850 00	9,348,451 75
1934—				
June 1	3½	London	23,467,206 27	821,352 22
July 1	5	Canada	33,293,470 85	1,664,673 54
Nov. 1	5½	Canada	226,138,350 00	12,437,609 25
1935—				
Aug. 1 (a)	5	Canada and New York	874,000 00	43,700 00
1936—				
Feb. 1	4½	New York	40,000,000 00	1,800,000 00
Nov. 15	5	Canada	79,535,200 00	3,976,760 00
1937—				
Mar. 1 (a)	5	Canada and New York	90,166,900 00	4,508,345 00
Dec. 1 (a)	5½	Canada	236,299,800 00	12,996,489 00
1938—				
July 1	3	London	8,071,230 16	242,136 90
July 1	3	London	18,250,000 00	547,500 00
July 1	3	London	10,950,000 00	328,500 00
July 1	3½	London	15,056,006 66	526,960 23
1940—				
Sept. 1	4½	Canada	75,000,000 00	3,375,000 00
1941—				
Nov. 15	5	Canada	141,663,000 00	7,083,150 00
1943—				
Oct. 15	5	Canada	147,000,100 00	7,350,005 00
1944—				
Oct. 15	4½	Canada	50,000,000 00	2,250,000 00
1946—				
Feb. 1	4½	Canada	45,000,000 00	2,025,000 00
1947—				
Oct. 1	2½	London	4,888,185 64	122,204 64
1950—				
July 1	3½	London	137,058,841 00	4,797,059 43
1952—				
May 1	5	New York	100,000,000 00	5,000,000 00
1956—				
Nov. 1	4½	Canada	43,125,700 00	2,102,377 87

(a) Tax free in Canada.

[Mr. Rhodes.]

Unmatured Funded Debt as at March 31, 1932, and Annual Interest Charges

Date of maturity	Rate	Where payable	Amount of loan	Interest charges 1932-33
	p.c.		$ cts.	$ cts.
1957—				
Nov. 1 (b)	4½	Canada	37,523,200 00	2,063,776 00
1958—				
Nov. 1 (c)	4½	Canada	276,688,100 00	15,217,845 50
1959—				
Nov. 1 (d)	4½	Canada	285,772,300 00	15,717,476 50
1960—				
Oct. 1	4	London	93,926,666 66	3,757,066 67
Oct. 1	4	New York	100,000,000 00	4,000,000 00
			2,564,170,057 24	127,598,186 75

Payable in Canada	$1,881,461,020 85
Payable in Canada and New York	131,040,900 00
Payable in New York	240,000,000 00
Payable in London	311,668,136 39
	2,564,170,057 24
Less bonds and stocks of the above loans held as Sinking Funds	62,387,324 01
	$2,501,782,733 23

(b) 5½% to Nov. 1, 1932.
(c) Tax free to Nov. 1, 1933, 5½% to Nov. 1, 1933.
(d) 5½% to Nov. 1, 1934.

Bonds Guaranteed by Dominion Government as at March 31, 1932

Date of Maturity	Issue	Interest Rate	Amount Outstanding
		%	$ cts.
Sept. 1, 1934	Canadian Northern	4	17,060,333 33
Feb. 15, 1935	Canadian Northern	4½	17,000,000 00
Sept. 1, 1936	Grand Trunk	6	24,734,000 00
Oct. 1, 1940	Grand Trunk	7	24,492,000 00
Dec. 1, 1940	Canadian Northern	7	24,282,000 00
July 1, 1946	Canadian Northern	6½	24,636,000 00
April 1, 1948	New Westminster Harbour Commission	4¾	700,000 00
Sept. 1, 1951	Canadian National	4½	50,000 000 00
Aug. 1, 1952	Saint John Harbour Commission	5	667,953 04
July 10, 1953	Canadian Northern	3	9,359,996 72
Feb. 1, 1954	Canadian National	5	50,000,000 00
Sept. 15, 1954	Canadian National	4½	26,000,000 00
Mar. 1, 1955	Canadian National (West Indies Steamships)	5	9,400,000 00
June 15, 1955	Canadian National	4¾	50,000,000 00
Feb. 1, 1956	Canadian National	4½	70,000,000 00
July 1, 1957	Canadian National	4½	65,000,000 00
July 20, 1958	Canadian Northern	3½	7,896,563 49
May 4, 1960	Can. Nor. Alberta	3½	3,149,998 66
May 19, 1961	Can. Nor. Ontario	3½	34,229,996 87
Jan. 1, 1962	Grand Trunk Pacific	3	34,992,000 00
Jan. 1, 1962	Grand Trunk Pacific	4	8,440,848 00
Dec. 1, 1968	Canadian National	4½	35,000,000 00
July 1, 1969	Canadian National	5	60,000,000 00
Oct. 1, 1969	Canadian National	5	60,000,000 00
Nov. 1, 1969	Harbour Comm. of Montreal	5	19,000,000 00
Feb. 1, 1970	Canadian National	5	18,000,000 00
By tenders or drawings	Canadian National	2	29,452,409 67
Various dates 1932-54	City of St. John Debs. assumed by St. John Harbour Commissioners	various	1,467,164 96
Serial—Feb. 1, & Aug. 1, 1932-1938	Canadian National Equip. G	5	9,750,000 00
Perpetual	Grand Trunk Guaranteed Stock	4	60,833,333 33
"	Grand Trunk Debenture Stock	5	20,782,491 67
"	Great Western Debenture Stock	5	13,252,322 67
"	Grand Trunk Debenture Stock	4	119,839,014 33
"	North. Ry. of Canada Deb. Stock	4	1,499,979 67
			1,000,918,406 41

Trade of Canada

Turning now to the matter of external trade, Canada has continued to share in the pronounced shrinkage, both in volume and value, that has marked the commerce of the world. The following is a statement of Canada's foreign trade for the first eleven months of the last fiscal year, as compared with the same period in 1930-31:

(000 omitted)

—	11 months ended Feb. 28, 1931	11 months ended Feb. 29, 1932	Decrease
	$	$	$
Imports	831,232	521,056	310,176
Exports, Canadian produce	744,669	536,595	208,074
Re-exports, foreign produce	16,038	9,951	6,087
	1,591,939	1,067,602	524,337

The figures indicate a reduction in the dollar value of total trade of approximately 33 per cent, which corresponds fairly closely to the average fall in the world trade. Notwithstanding this unfavourable aspect of our external commerce, a very distinct improvement has taken place in the conversion of an unfavourable into a favourable balance. Starting last June, our exports commenced to exceed the imports and a surplus of exports over imports has continued month by month to date. Taking the last eleven months' figures as a basis, the balance has been favourable to the extent of $25,491,000, as compared with an unfavourable balance of $70,524,000 in the previous corresponding period. Comparative figures are as follows:

(000 omitted)

11 months ended	Imports	Exports	Excess of Imports over Exports
	$	$	$
February 28, 1930	1,135,248	1,053,246	82,002
February 28, 1931	831,232	760,708	70,524
			Excess of Exports over Imports
February 29, 1932	521,056	546,547	25,491

In the eleven months' period ended February 29, 1932, the latest date for which statistics of trade by countries are available, Canada's imports from the British Empire amounted to 131 million dollars, representing 25·3 per cent of total imports and showing a decrease of 56 million dollars from the previous corresponding period. Our exports to the British Empire are shown at 204 million dollars representing 37·4 per cent of total exports, a drop in the period of 71 million dollars.

The imports from the United Kingdom decreased 43 million dollars and exports dropped 44 million dollars.

A summary showing the imports from and exports to the principal parts of the British Empire is as follows:

Trade of Canada with British Empire
First eleven months
(000 omitted)

—	Imports 1931-32	Decrease from 1930-31	Exports 1931-32	Decrease from 1930-31
	$	$	$	$
United Kingdom	94,579	42,842	163,152	43,922
Australia	5,357	1,495*	4,688	1,605
British South Africa	4,259	1,091*	8,011	1,554
New Zealand	938	5,347	3,433	8,777
West Indies	10,995	2,359	7,694	3,657
Newfoundland	1,465	1,007	6,320	3,987
Other	14,247	7,526	11,266	7,808
Total British Empire	131,840	56,495	204,564	71,310

*Increase.

Our largest trade continues to be with the United States, to which exports in the eleven months ended February 29, 1932, amounted to 227 million dollars and from which imports were 317 million dollars, an unfavourable balance of 90 million dollars to Canada on the interchange. While exports declined 32·5 per cent in the period, our purchases from the United States have decreased 40·6 per cent.

A statement is submitted to show the percentage of our trade with the British Empire, United States and other countries in the first eleven months of the fiscal year, and, for purposes of comparison to indicate the trend, similar percentages for the previous fiscal year.

Trade of Canada

—	Imports		Exports	
	Fiscal year 1930-31	First 11 months 1931-32	Fiscal year 1930-31	First 11 months 1931-32
	%	%	%	%
British Empire	22·6	25·3	36·6	37·4
United States	64·5	60·9	43·7	41·5
Other Countries	12·9	13·8	19·7	21·1
	100·0	100·0	100·0	100·0

Having reached the conclusion that the interests of both contracting parties would be promoted by the negotiation of an entirely new convention, Canada gave notice to France, in December last, of her desire to terminate the French convention made in 1922, and to proceed to the making of a new agreement. The existing treaty terminates, therefore, on June 16 of this year and it is the earnest hope of the government that its place will in the near future be taken by a commercial convention which may be of mutual advantage.

Estimated Revenues and Expenditures 1932-33

Based upon present rates of taxation and reasonably stable conditions, it is anticipated that the revenues in the fiscal year 1932-33 which has just commenced, will amount to $319,100,000 from the following sources:

Customs Duties	$100,000,000
Excise Duties	45,000,000
Excise Taxes	70,000,000
Income Tax	48,000,000
Post Office	32,000,000
Interest on Investments	11,500,000
Other sources	12,600,000
	$319,100,000

The ordinary requirements for government services in 1932-33, as provided for in the main estimates, together with certain special and statutory amounts such as for old age pensions and payments to railways under the Maritime Freight Rates Act, are estimated at $369,900,000 and, in addition, $9,600,000 is voted for capital expenditures.

A very considerable contribution to the balancing of the budget has already been made in the reductions of appropriations which have been recommended to the house for the current year. Leaving aside the extraordinary expenditures on wheat bonus and unemployment relief, the expenditures in the fiscal year just ended are estimated at $404,900,000. in comparison with which the estimated expenditures of $379,500,000 for 1932-33 show a reduction of $25,400,000, after absorbing an increase in interest on the public debt of $12,700,000.

The perplexities which ordinarily attend the curtailment of expenditures on governmental services are rendered much greater in the present instance by reason of the reductions which had already been effected in the ordinary and capital expenditures, and particularly by reason of the increasingly smaller proportion of the expenditures which are controllable. Thus in the proposed expenditures for 1932-33, the fixed and, in general, uncontrollable amounts, including debt charges, pensions and ex-soldiers' welfare, provincial subsidies, and similar items, aggregate approximately $236,000,000, leaving only $143,500,000, or 38 per cent, under the classification of controllable. In the fiscal year just ended, the corresponding figure of controllable expenditures was $179,300,000. It will therefore be seen that the reduction which it is proposed to effect this year in the controllable expenditures is $35,800,000, which is the equivalent of 20 per cent. These figures have been cited to illustrate the drastic economies which the government has felt it necessary to institute, having regard to the depleted returns from taxation.

With revenues estimated at $319,100,000 and the usual current expenses of government amounting to $369,900,000, it is clear that increases in the rates of taxation are necessary. Accordingly it is proposed to recommend measures which will, it is estimated, increase the revenues by $55,000,000, thus balancing the current expenditures and leaving a surplus of $4,300,000. If expectations are realized, this surplus would serve to cover a large part of the capital expenditures as well. Even a slight improvement in price levels, and the general volume of business would, of course, be reflected immediately in the returns from customs and excise taxes, and our budget position would be correspondingly improved.

Without building too greatly on help from this source in the present year, it is the considered view of the government that reductions in expenditures, on the one hand, and proposed additions to the taxation revenues on the other, will, in the final outcome, represent a complete balancing of the budget on the usual current governmental services. While, unfortunately, the estimates of revenues, which are conservatively based having regard to the present conditions of business, do not cover the special expenditures on unemployment relief, nor the more indirect liabilities arising out of the financing of the Canadian National Railways, it is nevertheless, in our judgment, as substantial a step in the direction of providing currently for every responsibility of the government as would be in the public interest to make effective in any one year under existing conditions.

Income Tax

It is proposed to raise the rate of taxation on incomes of corporations and joint stock companies to 11 per cent, to take effect in the 1931 taxation period. Under the act at present, a corporation whose financial year is not coincident with the calendar year is allowed until April 30 of the following year to pay the tax. It is proposed to amend the act to provide in such cases for the return of income and payment of the tax within four months from the close of the fiscal period. This will have the effect of accelerating the collection of the tax from those corporations whose fiscal periods do not end with the calendar year. A further amendment to the Income War Tax Act will repeal the provisions relating to family corporations.

In respect of the tax on personal incomes, it is proposed to repeal the deduction of 20 per cent now allowed from the tax payable under the established schedule of rates. In addition, all taxpayers, including corporations, in receipt of net income in excess of $5,000 will be required to pay a surcharge of 5 per cent of the amount of tax otherwise payable.

The personal exemption, where heretofore $3,000, will be reduced to $2,400, and where heretofore $1,500, will be reduced to $1,200. No change is to be made in the exemption for dependent children. Hereafter the exemption granted in respect of income from annuity

contracts will be $1,200 instead of $5,000. This will bring the exemption into conformity with the Annuities Act as amended in 1931.

The penalty provisions in the Income War Tax Act will be amended so as to provide that in cases where investigation reveals that a taxpayer has deliberately understated his income, the amount of income not disclosed will be added in double the amount and the tax assessed thereon. The decease of the taxpayer will not avoid the tax penalty.

The changes in the exemptions and in the rates of tax payable will apply to incomes of 1931. The following statement indicates the proposed increase in taxation, in the case of a married person without dependents, at various amounts of income:

Income Tax

Married Person without Dependents

Taxes Payable

Income	Present Tax	Proposed Tax	Increase
$ 2,400	.....	.....	.....
2,500	.....	2 00	2 00
2,600	.....	4 00	4 00
2,700	.....	6 00	6 00
2,800	.....	8 00	8 00
2,900	.....	10 00	10 00
3,000	.....	12 00	12 00
4,000	16 00	32 00	16 00
5,000	32 00	58 00	26 00
6,000	56 00	98 70	42 70
7,000	88 00	147 00	59 00
8,000	128 00	205 80	77 80
9,000	176 00	275 10	99 10
10,000	232 00	354 90	122 90
11,000	296 00	445 20	149 20
12,000	368 00	546 00	178 00
13,000	448 00	657 30	209 30
14,000	536 00	779 10	243 10
15,000	632 00	911 40	279 40
16,000	736 00	1,054 20	318 20
17,000	848 00	1,207 50	359 50
18,000	968 00	1,371 30	403 30
19,000	1,096 00	1,545 60	449 60
20,000	1,232 00	1,730 40	498 40
25,000	2,024 00	2,788 80	764 80
30,000	2,880 00	3,918 60	1,038 60
35,000	3,776 00	5,100 90	1,324 90
40,000	4,712 00	6,335 70	1,623 70
45,000	5,688 00	7,623 00	1,935 00
50,000	6,704 00	8,962 80	2,258 80
55,000	7,760 00	10,355 10	2,595 10
60,000	8,856 00	11,799 90	2,943 90
65,000	9,992 00	13,297 20	3,305 20
70,000	11,168 00	14,847 00	3,679 00
75,000	12,384 00	16,449 30	4,065 30
80,000	13,640 00	18,104 10	4,464 10
85,000	14,936 00	19,811 40	4,875 40
90,000	16,272 00	21,571 20	5,299 20
95,000	17,648 00	23,383 50	5,735 50
100,000	19,064 00	25,248 30	6,184 30
110,000	22,000 00	29,108 10	7,108 10
120,000	25,016 00	33,072 90	8,056 90
130,000	28,112 00	37,142 70	9,030 70
140,000	31,288 00	41,317 50	10,029 50
150,000	34,544 00	45,597 30	11,053 30

Income Tax—Concluded

Married Person without Dependents

Tax Payable

Income	Present Tax	Proposed Tax	Increase
175,000	42,920 00	56,597 10	13,677 10
200,000	51,496 00	67,859 40	16,363 40
250,000	69,072 00	90,934 20	21,862 20
300,000	87,048 00	114,534 00	27,486 00
350,000	105,424 00	138,658 80	33,234 80
400,000	124,200 00	163,308 60	39,108 60
450,000	143,376 00	188,483 40	45,107 40
500,000	162,952 00	214,183 20	51,231 20
600,000	202,928 00	266,658 00	63,730 00
700,000	242,928 00	319,158 00	76,230 00
800,000	282,928 00	371,658 00	88,730 00
900,000	322,928 00	424,158 00	101,230 00
1,000,000	362,928 00	476,658 00	113,730 00

Sales Tax

The sales tax will be increased by 2 per cent. Some additional revenue will also be derived from a limited adjustment of the exempt and partially exempt list, in the case of a number of articles not primary products which it is believed should, under present conditions, carry a proportionate share of the tax burden. The chief items to be taken from the exempt list are bakers' cake, and pies, lard compound and similar substances made from animal or vegetable stearine or oil, ice cream, processed milk foods and cereal foods under Customs Items 45 and 46, and usual coverings for goods not subject to the sales tax. Biscuits are to be raised from the half to the full rate.

Special Excise Tax on Imports

The special excise tax on goods imported into Canada will be increased by 2 per cent, making it 3 per cent.

Insurance Tax

The tax upon insurance premiums passed at the last session was not put into effect by proclamation as provided by the statute, owing to difficulties over the jurisdiction of the Dominion and provinces in the matter of insurance. It is now proposed, under the Special War Revenue Act, to impose a tax of 1 per cent of net premiums of insurance companies authorized to transact business in Canada or in any province of Canada, other than life, marine and farm mutual. This tax was in force from 1915 to 1929. British and foreign companies, not so authorized but maintaining deposits with the Dominion, will also be assessed 1 per cent of net premiums received in Canada. Canadian policyholders who in-

sure their property in Canada with companies other than those mentioned above, will be charged a tax of 15 per cent of the gross premiums payable on such insurance.

The stamp tax on cheques, promissory notes, money orders, etc., will be increased. The precent rate is two cents for each instrument exceeding $5. The new rate will be three cents over $5 to $100 and on instruments over $100, six cents. The tax of 10 per cent, minimum 25 cents, on sleeping car tickets and of 10 cents on each parlour car ticket, will be reenacted. The tax on cable and telegraphic messages will also be reenacted, but the rate will now be five cents for each message costing more than fifteen cents, and the measure will be extended to include long distance telephone calls at the same rate.

A minor amendment also is proposed to the Special War Revenue Act in connection with the stock and bond transfer tax. The present exemption for inter-dealer transactions in bonds is to be repealed and a regulation substituted which will ensure the application of the tax in all transactions except where dealers in securities are acting as purchasing agents for clients.

The sales tax changes come into force immediately; the stamp tax on cheques, telegraph and telephone and transportation taxes, it is proposed to put into effect as of May 2.

Tariff

Having in mind the near approach of the meeting of the Imperial Conference, it is deemed undesirable to make any tariff changes touching the British preference. This decision of necessity precludes any major tariff adjustments.

With one exception, no tariff amendments are therefore proposed. The exception relates to repair parts for farm implements, for which the special rates granted to March 31, 1932, will be further extended to March 31, 1933.

In proposing these additional measures of taxation, consideration has been given, on the one hand, to the ability of our people to bear the extra burden, and, on the other, to the absolute necessity of placing our financial house in order.

Bearing fully in mind the fact that, in common with the whole world, we have suffered —while not in equal degree at least in substantial degree—as the result of a depression universal in scope and of unparalleled magnitude; realizing also the anxieties and burdens of the people and the manifold difficulties resulting from the trying period through which we are passing; and appreciating how desirable it is that we should endeavour to the fullest possible extent compatible with the public interest to call for as little further sacrifice as possible;—at the same time we would be recreant to our duty if we failed to face our problems with determination and at whatever sacrifice, fully meet our financial obligations, balance our budget and preserve our national credit in the eyes of an observant financial world.

This course may result in hardship. It may entail sacrifice. But in the long run it will result in less hardship, and will call for less sacrifice than that which would flow from a policy less courageous.

Furthermore, the preservation of our national credit is an indispensable prerequisite to the return of prosperity.

While the world is close knit to-day in matters of trade and finance as never before in its history—and we cannot expect normal or prosperous conditions apart from the general world trend—nevertheless some one nation, or group of nations, must assume the leadership and point the way. To that end an opportunity unique in history is afforded to the British nations, whose representatives will assemble in Ottawa at the Imperial Economic Conference in July next.

If the delegates who assemble here meet in an atmosphere charged with determination to approach their deliberations from the viewpoint of mutual advantage, there will result measures which will give a marked stimulus to empire trade.

And while these measures are primarily designed to stimulate trade within the empire, they will release forces and establish currents which may well flow beyond our borders to the eventual benefit of the world at large.

As a final word, may I say that I do not propose to indulge in prophecy. But I do desire to record my firm conviction that we are not far removed from events which will herald the dawn of better days; that those qualities of courage, resourcefulness and thrift which characterized our forebears are not lost to the present generation; that our struggles and difficulties of to-day will serve as a challenge to greater effort on the part of governments and people to the end that Canada will be found in the vanguard of those nations who successfully emerge from the greatest testing time in modern history.

I beg to give notice, Mr. Speaker, that when we are in committee of ways and means I shall move the following resolutions:

1. Resolved, that schedule A to the customs tariff, being chapter forty-four of the revised

statutes of Canada, 1927, as amended by chapter seventeen of the acts of 1928, chapter thirty-nine of the acts of 1929, chapter thirteen of the acts of 1930 (first session), chapter three of the acts of 1930 (second session) and chapter thirty of the acts of 1931, be further amended by striking thereout tariff item 409q, the several enumerations of goods, respectively, and the several rates of duties of customs, if any, set opposite thereto, and by inserting the following item, enumerations and rates of duty in said schedule A:

Tariff Item	—	British Preferential Tariff	Intermediate Tariff	General Tariff
409q	Complete parts for repairs, if imported on or before the thirty-first day of March, 1933, under regulations prescribed by the Minister.			
	(i) For the implements of machinery enumerated in tariff items 409c, 409e, 409f, 409g, 409j, 409o, 409p and 439c	Free	10 p.c.	10 p.c.
	(ii) For the implements or machinery enumerated in tariff item 409b	Free	7½ p.c.	7½ p.c.
	(iii) For the implements or machinery enumerated in tariff item 409d	Free	6 p.c.	6 p.c.
	(iv) For the implements or machinery enumerated in tariff items 409h and 409n	Free	10 p.c.	15 p.c.
	(v) For the implements or machinery enumerated in tariff items 409i and 409k	Free	17½ p.c.	17½ p.c.

2. Resolved, that any enactment founded upon the foregoing resolution shall be deemed to have come into force on the seventh day of April, one thousand nine hundred and thirty-two, and to have applied to all goods mentioned in the foregoing resolution imported or taken out of warehouse for consumption on and after that date and to have applied to goods previously imported for consumption for which no entry for consumption was made before that date.

Resolved, that it is expedient to amend the Income War Tax Act and to provide:

1. That the reduction of twenty per centum from the rates of tax under the first schedule of the act be repealed;

2. That the rate of tax applicable to corporations be increased from ten per centum to eleven per centum on the income in excess of $2,000;

3. That all taxpayers in receipt of net income in excess of $5,000, excluding incomes exempt under section 4 of the said act, shall pay an additional tax of five per centum of the amount of taxes otherwise payable under the provisions of the said act;

4. That the personal exemption heretofore afforded to the extent of $3,000 be reduced to $2,400 and where heretofore afforded to the extent of $1,500 be reduced to $1,200;

5. That income arising by way of annuity contracts within the meaning of paragraph (k) of section 3 of chapter 24 of the statutes of 1930 be exempt to the extent of $1,200 in lieu of the exemption heretofore provided of $5,000, but the said exemption of annuity income heretofore provided and arising out of annuity contracts entered into prior to the passing of any act based on this resolution shall continue in full force and effect;

6. That the provisions relating to family corporations be repealed, such repeal to come into force at the end of the 1932 calendar year or fiscal periods ending therein;

7. That in respect of fiscal periods not coincident with the calendar year the return of income and payment of the tax, by persons other than individuals, in lieu of being made and paid on or before the 30th day of April in each year as in the said act provided, must be made and paid within four months from the close of the fiscal period and if not so made and paid all provisions of the said act shall mutatis mutandis apply;

8. That income by way of dividends, rentals, interest, royalties and other like income not disclosed by the taxpayer in his return of income may be added to the other income of the taxpayer in double the amount and the whole taxed under the provisions of the act;

9. That any enactment founded on paragraphs one, two, three, four, five and eight of this resolution shall be deemed to have come into force at the commencement of the 1931 taxation period and to be applicable thereto and to fiscal periods ending therein and to all subsequent periods;

10. That any enactment founded on the provisions of paragraph seven of this resolution shall be deemed to have come ito force at the commencement of the 1932 taxation period and to be applicable thereto and to fiscal periods ending therein and to all subsequent periods.

Resolved, that it is expedient to introduce a measure to amend the Special War Revenue Act, chapter 179 of the revised Statutes of Canada, 1927, as amended by chapter 50 of the statutes of 1928, chapter 57 of the statutes of 1929, chapter 43 of the statutes of 1930, and chapter 54 of the statutes of 1931, and to provide:—

1. (i) That every company authorized to transact the business of insurance in Canada or in any province of Canada, other than life and marine insurance companies, fraternal benefit societies and purely mutual fire insurance companies insuring principally farm risks,

shall pay for consolidated revenue fund a tax of one per centum upon the net premiums received by the company in Canada on and after the first day of January, 1932.

(ii) That every insurance company not so authorized to transact the business of insurance in Canada or in any province thereof but which maintains a deposit with the Minister of Finance as security for the claims of all Canadian policyholders exclusively of such company to the amount of at least the amount of the liabilities of the company to policyholders in Canada, shall pay for consolidated revenue fund a tax of one per centum upon the net premiums received by it in respect of insurance on property in Canada, other than marine insurance, effected or renewed in the portion of the calendar year 1932, and of each calendar year thereafter for which it maintains such deposit.

(iii) That every person resident in Canada who insures or has insured his property situate in Canada, or any property situate in Canada in which he has an insurable interest other than that of an insurer of such property, with any British or foreign company or British or foreign underwriter or underwriters, or any association of persons

(a) which, on the twenty-second day of October, 1931, had not a deposit with the Minister of Finance for the purpose and to the amount aforesaid, shall pay for consolidated revenue fund a tax of fifteen per centum of the gross premiums paid or payable by such person for such insurance during the year 1931; and a tax of five per centum of the total net cost to such person of such insurance effected or renewed in each of the calendar years 1921 to 1930, both inclusive, during which such company, underwriter or association did not maintain a deposit with the minister for the purpose and to the amount aforesaid, the amount of such tax payable in respect of any calendar year to be reduced by the amount of any tax heretofore paid to the minister in respect of such insurance for such calendar year; or

(b) which does not on or before the first day of May, 1932, or at the time such insurance is effected or renewed, if after the said date, maintain a deposit for the purpose and to the amount aforesaid, shall each year pay a tax of fifteen per centum of the gross premiums paid or payable for such insurance during the next preceding calendar year.

2. That on every cable and telegraph or radio message originating in Canada for which a charge of more than fifteen cents is made, except press despatches, and on every long distance telephone call originating in Canada for which a charge of more than fifteen cents is made the sending company shall pay to the consolidated revenue fund a tax of five cents and may charge the same to the person paying the regular charges for such message.

3. That every purchaser of a seat in a pullman or parlour car shall pay, in addition to the regular price of each such seat, a tax of ten cents and that every purchaser of a berth in a sleeping car or other sleeping accommodation on a railway train shall pay in addition to the regular price thereof a tax equal to ten per cent of the said price, provided that such tax shall in no case be less than twenty-five cents.

4. That the stamp tax imposed by parts VI, VIII, and IX of the said act on cheques, receipts to banks, money orders, travellers' cheques and post office money orders for amounts exceeding five dollars, and on bills of exchange and promissory notes, be increased to three cents on every instrument for an amount not exceeding one hundred dollars, and to six cents on every instrument for an amount exceeding one hundred dollars.

5. That subsection (e) of section sixty-one of the said act, as enacted by chapter 54 of the statutes of 1931, be repealed.

6.(i) That the rate of consumption or sales tax as imposed by section eighty-six of the said act, as amended by section eleven of chapter 54 of the statutes of 1931, be increased to six per cent.

(ii) That the following words be removed from the list of articles exempt from the consumption or sales tax set out in schedule III to the said act, as enacted by chapter 54 of the statutes of 1931, that is to say;

"Bakers' cake and pies, not to include biscuits;" "and substitutes therefor" in line seven of the said schedule; "lard compound and similar substances, made from animal or vegetable stearine or oils;" "materials for use solely in the manufacture of any substitute for butter or lard;" "extract of rennet;" "ice cream;" "usual coverings to be used exclusively for covering goods not subject to the consumption or sales tax;" "materials to be used exclusively in the manufacture of usual coverings to be used for covering goods not subject to the consumption or sales tax."

Also under the heading "Goods Enumerated in Customs Tariff Items;" the following figures and words, namely:—

"45. Milk foods, n.o.p.; prepared cereal foods, in packages not exceeding twenty-five pounds weight each;"

"46. Prepared cereal foods, n.o.p.;"

And that the word "lard" where it first appears in line eight of the said schedule be struck out and the words "lard, when produced in Canada" be substituted.

(iii) That the following words be inserted in the said schedule:

"All articles manufactured or produced by the labour of the blind in institutions established for their care or under the control or direction of such institutions."

(iv) That the following words be removed from the list of articles exempt to the extent of fifty per cent of the consumption or sales tax set out in schedule IV to the said act, as enacted by chapter 54 of the statutes of 1931, that is to say:—

"Biscuits of all kinds."

7. That the special excise tax on imports imposed by section eighty-eight of the said act, as enacted by section fourteen of chapter 54 of the statutes of 1931, be increased to three per cent.

8. That any enactment founded on paragraphs two, three and four of this resolution shall come into force on the second day of May one thousand nine hundred and thirty-two.

9. That any enactment founded on paragraphs six and seven of this resolution shall be deemed to have come into force on the seventh day of April one thousand nine hundred and thirty-two, and to have applied to all goods imported or taken out of warehouse for consumption on and after that day, and to have applied to goods previously imported for which no entry for consumption was made before that date.

On motion of Mr. Ralston the debate was adjourned.

THE PUBLIC SERVICE

PROPOSED DEDUCTION OF TEN PER CENT IN INDEMNITIES AND SALARIES

The house resumed from Monday, April 4, consideration in committee of Bill No. 19, to provide for the deduction of compensation in the public service—Mr. Rhodes—Mr. Hanson (York-Sunbury) in the chair.

On section 1—Short title.

Mr. HEENAN: When the resolution was before the committee, and again yesterday, I think, the Finance minister stated that this reduction was a contribution by the civil servants to the state, and not a reduction in wages. I was wondering if the Prime Minister—the Finance minister is not in his seat at the moment—could give any assurance to the house and the civil service that the present salaries will be restored at the end of the year. I would also ask a question with respect to those who have been denied their statutory increases for this year. Suppose a man has been denied a statutory increase of $100 for this year. When the statutory increases are restored, will he receive $200?

Mr. BENNETT: It is not possible, Mr. Chairman, to answer either of those questions. Unless the economic conditions of the country change the whole matter, of course, will have to be carefully reconsidered. The Finance minister told the committee yesterday that this measure expired at the end of March next and there is a provision in the bill to that effect. It will be recalled that in 1897, when the Liberal government came into power, the Postmaster General did not provide for the statutory increases for those in the Post Office Department, and if my memory serves me that condition continued for something like three years, and there was no subsequent readjustment at that time. It well may be that it will take some time to bring about the readjustment that the hon. member mentions. No promises can be made or assurances given. The statute means exactly what it says and nothing more.

Mr. HEENAN: During the discussion on the resolution it was brought to light that the men working on our canals at prevailing rates had had their wages reduced, and the Minister of Finance indicated to this side of the house that when the bill was in committee he would consider any situation such as that. I was wondering if the Prime Minister is in a position to say whether or not it is intended further to reduce the wages of these men who have already had a reduction.

Mr. BENNETT: Section 6 of the bill provides for regulations being made by the treasury board, amongst others, to determine the amount of compensation for the purposes of this act. If the reduction in salary contemplates the compensation prevailing at the time the reduction of ten per cent becomes effective, then the treasury board will consider that fact. It is difficult to lay down a hard and fast rule with respect to it, and that is the reason the minister has placed section 6 in the bill.

Mr. HEENAN: Yesterday the question arose as to the inequalities which would exist if there were a reduction by five per cent in the salaries of those civil servants who are receiving less than $1,200. Would the Prime Minister take into consideration the fairness of reducing the rate charged against those who are receiving less than $1,200?

Mr. BENNETT: As the statute reads, that would not be possible. As I have said, however, under section 6 it would be competent for the treasury board to determine what should be the true compensation against which the reduction should be made. That is the only answer I can give.

Mr. HEENAN: In other words, it is possible you may or may not take it into consideration.

Mr. BENNETT: No, under section 6.

Mr. VENIOT: You can or cannot?

Mr. CHEVRIER: Through questions asked by the former Minister of Labour I understand from the Prime Minister that statutory increases will not be granted this year. The right hon. gentleman said he would make no promise at the moment as to what might happen to statutory increases later on. May I urge upon the right hon. gentleman that a fearful hardship will be imposed upon those who are now being deprived of those statutory increases. They have expected that in the years to come they would enjoy the benefit of the increases, provided their conduct was such as to warrant the receipt of them. Because somebody did not do something away back in 1897, I ask the right hon. gentleman not to follow the example given at that time. I would be very grateful now if he would say that at least the matter will be taken into sympathetic consideration, and that when the time comes the civil servants may receive better treatment than was given in the year 1897.

Mr. BENNETT: I am sure the hon. member will be the first to agree that under the present economic and financial conditions no promise of any kind should be made as to what will or will not be done regarding statutory increases. Of course any government, whatever it may be, would give every consideration to a question of statutory increases, having due regard to the prevailing conditions. I think that is all any government could fairly do. The hon. member misapprehended my meaning with respect to the year 1897. I merely said statutory increases were not given in that year, or in the three succeeding years, and I made the statement merely as an illustration to indicate that so far as this particular measure is concerned, the deprivation of statutory increases is nothing novel.

Section agreed to.

On section 2—Definitions: "compensation"; "member of the public service of Canada."

Mr. GARDINER: Under clause (b) of section 2 certain exemptions are made from the deductions, including His Excellency the Governor General, the lieutenant-governors of the several provinces of Canada, the members of the judiciary, the members of the military, naval and air forces of Canada, and so on. So far as I am concerned I do not think we should give any exemption to those who are receiving salaries from the public service. A good deal of discussion took place on this matter before, and to-day it is not my intention to take a great deal of time in further discussion. I would point out however that we know the judiciary in Great Britain have been subject to deductions which have taken place in that country. I have information from the High Commissioner's office to the effect that on salaries from £2,000 to £5,000 there has been a reduction of ten per cent. Above £5,000 the cut has been 20 per cent. Under those circumstances I can see no justice in the exemption of any persons from the proposed reduction, with the exception of those who are receiving only sufficient to take care of their meagre needs. Therefore I move an amendment to clause (b) as follows:

That clause (b), section 2, be amended by striking out the words "other than" in the 18th line and also by striking out the words "and includes" in the 23rd line and by inserting the words "and includes" after the word "Canada" in the 18th line.

If the amendment is accepted by the committee His Excellency the Governor General, the lieutenant-governors and all those now exempted from deductions will pay their share, just the same as other persons receiving salaries from the public treasury.

Mr. BENNETT: It is obvious of course, Mr. Chairman, that the government cannot accept that proposal. The reductions in Great Britain were made under the provisions of a statute which I mentioned to the house on another occasion. Within thirty days from October 1 the minister or ministers were charged with the responsibility of carrying into effect changes by way of reductions that might have been thought desirable or necessary in the public interest. The hon. member for Acadia has said those reductions in some instances were ten per cent and in others 20 per cent. Amongst others the judges received the reduction. Subsequently that action was rescinded. Judges are not servants of the crown; they are the buffers which stand between the crown and the people, when occasion arises, for the purpose of administering justice to all parties who may be litigants, and for the purpose of protecting the people from the crown and from one another. That consideration, which has been elementary with respect to the judges since the Act of Settlement has ultimately prevailed.

I am glad to say a considerable number of judges have communicated not only with the Minister of Justice but with myself indicating their desire to make a contribution of ten per cent of their salaries to the public weal. They have asked that appropriate action be taken in that regard. I may say the same thing has occurred with respect to the others. With respect to lieutenant-governors of the provinces however I should like to point out that they are not in receipt of salaries sufficient to enable them to discharge the duties devolving upon them by reason of their offices. In consequence of that fact it is very difficult to get any person to undertake the duties of that office. The salary is so inadequate as compared with the necessary expenditures that it is not only undesirable to cut their salaries but a compulsory reduction of the salaries of representatives of the crown is not a matter which could be undertaken under present conditions in this parliament, for reasons which I think are fairly obvious.

I do not think I should mention any names, because it would be wholly improper to do so, but I may say that one lieutenant-governor said he would have to leave his office if the ten per cent cut applied to his salary. Some of them have taken office at very con-

siderable sacrifice to themselves, and are dependent upon their salaries to discharge their duties. With respect to the other exemptions mentioned it will be found that the section reads as follows:

The Governor General of Canada—

Whose communication to this house I read some few nights ago—

The lieutenant-governors of the several provinces of Canada—

And I suppose it is within the knowledge of every hon. member in this house that there has been no revision of these salaries, although there has been some augmentation of the salaries of representatives of the crown in this dominion by reason of arrangements made some years ago. With respect to the provinces that is not so; the salaries of the lieutenant-governors stand at $9,000, except in the smaller provinces.

Mr. VENIOT: There are some provinces where perquisites are voted for the lieutenant-governors.

Mr. BENNETT: Not in every part of Canada; that is the point exactly. In some parts there are government houses, in others there are none. In some cases the province assumes certain responsibilities for the upkeep of the establishment, whether it be rented or furnished by the crown; in other cases it does not. In any event I am only pointing out to the committee that the matter engaged the careful consideration of the government, and we were convinced that if the service is to be maintained and there is to be an executive in each of the provinces, as the British North America Act requires, to give effect to the proposal suggested by the hon. member would be to make it most difficult to carry on and in some instances would bring about resignations.

The reason for there being no reductions in connection with the judiciary I have already mentioned. In respect to the military forces and the police force, I can only say that the experience following upon what was done in Great Britain induces the government to believe that these are not services in which any such reduction should be made by compulsion. But there, too, some officials have already indicated to the government their desire that a ten per cent reduction should be made in their compensation.

Mr. DUFF: Mr. Chairman, so far as I am personally concerned I am opposed to this bill in its entirety. I so expressed myself when the resolution was first before the house, but in view of the fact that a day or two ago the bill was given second reading, that is, its principle was adopted, I realize that it is useless for me to say very much. However, I do feel that clause (b) should be amended to leave out all the words after the word "Canada" in the sixth line, as by deleting the remainder of the subsection, "the Governor General of Canada, the lieutenant-governors of the several provinces of Canada, the members of the judiciary, and the members of the military, naval and air forces of Canada, and the Royal Canadian Mounted Police," would come within the scope of the bill. I do not think it is in the interest of the country that these civil servants should be exempted from the ten per cent reduction, while members of this house and of the Senate and the civil service generally are forced to relinquish ten per cent of their remuneration.

As I said a moment ago, I am opposed to this bill in its entirety, but since the house has adopted the principle, I submit we should go the whole distance—nobody should be exempted from the operation of the bill. I cannot agree with what the right hon. gentleman said about exempting lieutenant-governors, judges or anybody else from the ten per cent reduction. When the resolution was first placed on the order paper I remember reading in the public press a statement by His Excellency the Governor General that he was willing to give ten per cent of his salary towards the revenues of Canada. It seems to me that when we are asking elevator men, charwomen and every other civil servant to take a ten per cent reduction in their remuneration, we should not turn down His Excellency's offer. I submit that in view of that offer and in view of other facts, His Excellency should be placed in the same position as members of the Senate and of the House of Commons and everybody else who is covered by this bill.

My right hon. friend told us that the lieutenant-governors were not getting sufficient remuneration. That may be so, but I should like to know which lieutenant-governor did not ask for the position which he now occupies? Which lieutenant-governor would give it up if there was no salary attached to his office? If any lieutenant-governor mentioned by the right hon. gentleman thinks his official salary not sufficient, let him resign, and let the government appoint other men to the office subject to a ten per cent reduction in salary.

Let me go a step further. We have dealt with members of the judiciary. If, as my right hon, friend says, they have written him and other members of the cabinet expressing

their willingness to take a ten per cent reduction in their salaries, would it not be in the interests of peace, harmony and good government in this country for the right hon. gentleman who is in charge of the bill to exclude them from the exempted classes. Then our lighthouse keepers, our postmasters and every other civil servant who has to take a ten per cent reduction would go to bed and sleep better if he knew that the judges too had taken a ten per cent reduction.

We hear a good deal these days about the judiciary having a contract with the government. I say the judiciary has no more of a contract with this government or with the people of the country than I have. I am opposed to the reduction of $400 in my indemnity. I submit that I am entitled to the same treatment from this parliament as are the judges and the members of the military forces or any one else who come under these exemptions.

My understanding is that no member of the militia force has a contract with the government any more than any other civil servant, that when they join the force they fill out a certain form and sign it, and if my information is correct they agree to take a lower rate of pay if the government should ask them to do so. So why should our generals and colonels be exempted from this ten per cent reduction of salary when you, Mr. Chairman, and I and other people have to take the reduction? Surely our services are worth at least as much to the country as the services of the gentlemen with the high hats down in the Woods building. Therefore I submit that the members of the military and naval forces should be put on the same basis as other civil servants.

The members of the Royal Canadian Mounted Police are also exempted from this ten per cent cut. What a spectacle we have witnessed in the past few days in regard to that force! In the old days, sir, everybody in Canada looked upon the members of the Royal Canadian Mounted Police as the best body of men in the dominion. We looked up to and respected them, but within the last few days police bodies appointed by the provinces have been blanketed into the Royal Canadian Mounted Police and, in spite of our economic condition, this government has been saddled with the upkeep of these bodies.

Some hon. MEMBERS: No.

Mr. DUFF: I say yes.

[Mr. Duff.]

Mr. BENNETT: The provinces are paying for them, under an agreement. They merely prefer that they should be administered in that way.

Mr. DUFF: Is it not a fact that these provincial police organizations were blanketed into the Royal Canadian Mounted Police, and that their salaries are paid by this government?

Mr. BENNETT: They were not blanketed in. An agreement has been arrived at between the Dominion of Canada and the governments of Saskatchewan, Alberta, Manitoba, and Nova Scotia whereby the Dominion government become the administrators of the police forces of those provinces, but the provinces pay for them.

Mr. VENIOT: Is it not a fact that the federal authorities said to the province of New Brunswick, "We will carry on your police force for a certain amount of money"?

Mr. BENNETT: No, it was the other way about; the provinces asked the dominion to carry on the work, and the provinces pay the bill.

Mr. WOODSWORTH: The entire cost?

Mr. BENNETT: Yes, at a fixed rate of $1,000 per man per annum, if my memory serves me aright, though I speak subject to correction. The Dominion government is responsible for the administration of the provincial body as a part of the Royal Canadian Mounted Police.

Mr. WOODSWORTH: But does that amount paid by the province cover the entire cost of the dominion?

Mr. BENNETT: It is based on the assumption that it will cover the cost. The system has not been in operation very long, but that is the assumption.

Mr. DUFF: I am not quite clear about this yet. The Prime Minister has not told us whether the provinces pay the total cost of carrying on the work of the provincial police—

Mr. BENNETT: Yes.

Mr. DUFF: —or if the money is paid into this treasury in a lump sum, while this government pays the individual members of the police force. My understanding is that this government pays the salaries of these men, and the provinces pay a lump sum into the federal treasury.

Mr. BENNETT: The computations based upon an average cost of approximately $1,000 per man per annum; the agreement between the provinces and the dominion is based upon that computation. In addition, of course, there is the service that was being rendered by the dominion police force in connection with preventive and other matters, but that has nothing to do with this case at all. The provinces merely thought it more economical and conducive to sounder administration if the dominion, having one police force, would undertake to control their forces as well so as to make one where there were two formerly. For that the provinces pay a sum based upon the average cost per man per annum which, in our judgment, will be sufficient to save the dominion from any cost whatever in connection with the forces.

Mr. DUFF: That does not change my argument at all; the fact remains that those men who were formerly provincial policemen in the different provinces now have become members of the Royal Canadian Mounted Police. I say that if other people are to suffer a cut of ten per cent in salary, these men who have been taken over from the provincial police should have a ten per cent reduction also.

I certainly think everyone in this country should be treated alike. If any part of the civil service is to lose ten per cent by way of salary reduction then I say there should be no exemptions; the judges, members of the militia and naval forces, members of the Royal Canadian Mounted Police, lieutenant-governors and the governor general should all come in the same category and make the same contribution to the federal treasury.

Mr. CARMICHAEL: I want to add my endorsation of the amendment now before the committee. Since the Prime Minister has stated that the amendment is not acceptable to the government, however, I am afraid there is very little hope that it will be adopted, since the government commands a strong majority in the house.

I am not in the same position as the preceding speaker, who stated that he was opposed to the bill in its entirety. I voted for the ten per cent deduction for several reasons. I realized that there was a serious situation existing throughout the country. We have just listened to the budget presentation by the Minister of Finance, and I am sure we all realize that the balancing of the budget made very necessary economies such as this ten per cent deduction, and since the measure is to apply for one year only I think most of us can stand that cut of ten per cent. The amount each will contribute will not be very large, and the cost of living has dropped approximately fifteen per cent, so our loss will not be as great as the benefit we will obtain through the decreased cost of living.

I had in mind also the conditions existing in the west. There are thousands of farmers, business men, school teachers and others in western Canada who would be thankful indeed to receive the salary paid the average civil servant in this city, even with the ten per cent reduction. We have public school teachers out there receiving only a few hundred dollars a year, while others are teaching for just a small government grant and boarding around among the people, in order to continue the work.

But, Mr. Chairman, while I favour the bill in general, I do not favour the exemptions outlined in section 2. The Prime Minister has said that he has received letters from some judges stating that they are willing to take the ten per cent cut voluntarily. In fairness to those judges I think the others who have not so volunteered should be required to contribute ten per cent. I am convinced that no hardship will be worked on any judge if the ten per cent reduction is extended to cover their salaries. The salary of the lowest paid judge in Canada is $5,000 from the Dominion treasury, and that amount is supplemented in various provinces; in my own province, for instance, the judges receive $1,500 in addition. I would make bold to say, also, that we are over-judged in this country.

Mr. BENNETT: Hear, hear; but we cannot control that.

Mr. CARMICHAEL: By actual count we have 286 judges in the Dominion of Canada. I think if we compared our judiciary and the total population of this country with the number of judges and the population of the British Isles, we would feel like hiding our faces because of the extravagance we have exhibited in connection with the salaries of the judges in Canada. That being the case, it offers an added reason why we should insist that every one of the 286 judges in Canada should contribute ten per cent of his salary towards helping to meet the urgent situation now confronting us.

I listened with considerable interest to what the Prime Minister had to say with regard to the lieutenant-governors, but I should like to know why the salary of the High Commissioner for Canada has been reduced from $10,000 to $9,000. An item appearing on page 10 of the estimates shows that a reduction of

ten per cent has been made in the salary of this gentleman, while the salaries of the lieutenant-governors have been left unchanged. It would seem to me that the expenses of this gentleman are just as great as if not greater than those of the lieutenant-governors; if a deduction is fair in the one instance, it would be equally fair in the other.

I cannot see any justification for exempting the members of the military, naval and air forces from the proposed reduction of ten per cent. We have been told that there are 139 persons in the department of National Defence drawing salaries between $4,000 and $4,900, thirty drawing salaries between $5,000 and $5,900 and fifteen drawing salaries between $6,000 and $6,900. A total of 184 persons in that department draw salaries of $4,500 per year or over. A deduction of ten per cent should not cause any hardship to any of these persons.

It is rather difficult to state exactly how much revenue would accrue if this deduction was levied against those at present exempted, but I have made an approximate computation. Judges of Canada draw something over $2,000,000 in salaries, and a ten per cent reduction would amout to about $214,190. If this deduction were applied to the officials of the Department of National Defence, it would mean a saving of over $88,000, and if it were applied still further to the non-permanent active militia and the permanent forces, it would amount to between $600,000 and $800,000. A considerable saving would be made if this deduction were applied to the members of the Royal Canadian Mounted Police, although there is a question as to whether or not there is justification for making the reduction when the salaries are paid by the provinces.

His Excellency the Governor General has made a voluntary offer to accept a ten per cent reduction in his salary, and I think his action deserves the thanks of this chamber. His Excellency is not a Canadian by birth but he has set an example which I think is worthy of the commendation of every hon. member of the house.

If this reduction were applied to the salaries of the lieutenant governors, the judges and the members of the militia and mounted police, there would be an added revenue of over one million dollars. It would be only fair, it would be only equitable, it would be only right that these gentlemen should make a contribution to the finances of this country on a par with that being made by the members of this house and of the Senate.

[Mr. Carmichael.]

Mr. BENNETT: In answer to the hon. gentleman I shall first point out that the judges are not civil servants. It was because they are not, that the action taken in Great Britain was altered. That is an important point to remember. Some hon. members may take the view that because their salaries are paid out of the public exchequer, their positions are as indicated, but the fact is that they are neither servants of the crown nor civil servants.

Mr. DUFF: Are members of parliament servants of the crown?

Mr. BENNETT: I have observed often that they are not, and technically speaking I do not think they are. Some of them are high admirals and others occupy other positions.

I shall not inflict upon the committee the argument which has been made so fully in the law journals and to which I made reference the other day, nor shall I refer to the editorial comments made by British papers as to the error of seeking to reduce the salaries of British judges.

With reference to the lieutenant-governors of the provinces, I can only say that the court of last resort in the empire has held that within the boundaries of the provinces these gentlemen represent the sovereign, and to reduce their compensation by this statute would be to act at variance with the long series of precedents which have obtained with respect to matters of this kind. Some hon. members may well say that I have not seemed to be bound by precedents where it is necessary to change them; I admit that quite freely, but I believe it would be wrong to depart from the principle established in this regard. The offer made by His Excellency the Governor General has been accepted by the government; I do not believe the hon. member for Antigonish-Guysborough was in his place the other evening when I read a statement to this effect.

We come to the third of the three classes, the crown, the judiciaries and the forces of the crown. The men who come within this third class are under discipline—they cannot resign even if they so desire. They are not under an ordinary contract, they are enlisted men, and the government contracts that during the term of their enlistment they shall receive a given compensation. It is not a contract in the ordinary sense because the word "enlistment" is used rather than the word "contract." They cannot leave the service without being guilty of desertion and prosecution, and they cannot resign.

These are the reasons why the three classes, the crown, the judiciary and the forces of the crown, are not made subject to the provisions of this statute.

Mr. BEAUBIEN: Does that apply to the mounted police as well?

Mr. BENNETT: Yes. The law officers of the crown are very doubtful as to whether or not we have the power to make a reduction, at least with respect to the first and second classes. With respect to the third class, the forces of the crown, presumably we have the power to change the terms of the enlistment, but the government is of the opinion that this should not be done.

The action taken by the government in this instance does not arise out of any desire to do other than what is fair to all parties in the state. But there must be a frank recognition by parliament of the fact that the crown, the judiciary and the forces of the crown are in a position different from that occupied by any of the classes covered by the bill. I shall not, as I said, dwell on the first two. As to the third class, if they were occupying a position such as has been suggested, the matter might be looked at from another angle. But from a question of law, apart from any other consideration, the forces of the crown occupy the position I have indicated and there is not an hon. member of this committee who does not understand that enlistment and contract are different. In the latter case, there is freedom to leave the position you have, while in the other, a man cannot leave his position except by becoming a deserter.

Mr. BEAUBIEN: What about judges?

Mr. BENNETT: Judges may resign.

Mr. CARMICHAEL: Is it not a fact that officers in the militia may also resign?

Mr. BENNETT: They are subject to military law and there are certain provisions under which they may avail themselves of their right to resign, but it is not a right such as that which belongs to those who have free contracts as has a civil servant in the ordinary acceptance of the term. The position of a civil servant is entirely different; in other words he may exercise the free right of resigning. That is a fair way to put the matter.

Mr. WOODSWORTH: The Prime Minister has given us certain technical objections to the proposed amendment. We have surely reached the stage when we can look a little beyond technical considerations to some of the realities in the case; there are some things deeper than the technical. As a matter of theory it may be that the crown is supreme, but I submit in all seriousness that the people are sovereign, and that is the important point we need to keep before us to-day. It merely beclouds the issue by, shall I say, dragging in such terms as "the crown," which would indicate that there is something sacrosanct about arrangements as they now stand.

Let me refer particularly to the lieutenant-governors. The position taken a few minutes ago by the Prime Minister was that it was exceedingly difficult to get anyone to occupy lieutenant-governorships. Does this mean that Canada cannot get anybody to represent the crown? Does it mean there are not enough patriotic people who will represent the crown in this country? If so, we are in a sorry way.

Mr. BENNETT: That is what it means.

Mr. WOODSWORTH: Coming to realities, we all know that to a very considerable extent to-day this position is, I think I may say, formal and social in character. Whatever the constitutional aspect may be, in practice the duties are very largely formal and social.

Mr. GARLAND (Bow River): The expenses are social.

Mr. WOODSWORTH: The expenses undoubtedly are incurred very largely in social functions. Since that is the real fact of the case, the sooner we reach the point where we shall abolish these lieutenant-governorships altogether, the better for everybody concerned, and that idea is coming rapidly to be felt by large sections of the people in Canada. I know of no better way of hastening this consummation than by carrying such an amendment as the one before us, because by doing so we assist very materially in having a still larger number of people reject these honours. Before very long people will come to understand there will have to be changes in the British North America Act, changes in our relationships, but just because of certain technical matters I do not think we ought to be asked to go on forever supporting institutions of this nature. It seems absurd that the postman who comes to our door and who is already underpaid and that many civil servants who are to-day being turned out on the street because of these cuts, should be made to suffer in this way, while people who are occupying what are essentially formal and social positions go scot-free. I do not think that is reasonable

and I know the same opinion is held by a majority of the Canadian people.

With regard to the mounted police, the full facts have not been laid before us, but I understand the western provinces are adopting this arrangement of the mounted police for purely economic reasons. I very much doubt whether the mounted police are to be paid a smaller amount than the old provincial police received, or whether a central administration from Ottawa can be conducted more economically than administration from the various provincial capitals.

Mr. BENNETT: The hon. gentleman knows the reason for the change. It does away with two series of overheads. That is the whole story.

Mr. WOODSWORTH: I know that, but that is another point. We have in Ottawa an overhead whereby at least one official of Royal Canadian Mounted Police is receiving a salary of $12,000 or over. I cannot quite understand why a man who is obtaining a salary of $12,000 or over should be retained in that position and not be subject to the cut to which other people in government employ are subject.

Mr. GARLAND (Bow River): And he can resign.

Mr. WOODSWORTH: Yes, he can resign if he wishes. To revert to the other point, the Prime Minister knows very well that before he came into office there was a good deal of friction between the mounted police in Saskatchewan and the provincial police of that province. The provincial police rather resented the coming into that province of the mounted police. It is very doubtful whether it was necessary for some years to have two distinct police forces there. The Dominion government, however, retained their police force here and now we are told, because there would be a saving of one overhead, we must have a centralized police force.

Mr. BENNETT: I do not wish to interrupt the hon. gentleman, but I am sure he desires to be fair. The provinces have asked the dominion to take over the administration of the police and merge the two into one. In no case has this been done at the instance of the federal power; it has been asked by the local or provincial authorities.

Mr. WOODSWORTH: I accept that explanation; in fact, I have information to that effect directly from some of the provincial premiers. But that does not alter my argument that the federal government might have withdrawn the mounted police force from, say Saskatchewan, and allowed that province to carry on, thus saving money to the dominion treasury. The federal authorities did not wish to do that; they wished to retain their police force and keep up this enormous overhead. Under those circumstances the provinces, in order to save money for themselves, consented to give up their own police force, merging it into the larger one.

Mr. BENNETT: Under the provisions of the Customs and other acts, we have to maintain a preventive force. That work has now been taken over by the mounted police. Therefore there is a further saving so far as that phase of the question is concerned.

Mr. WOODSWORTH: I can understand there may be some saving. I do not want at present to go into the other matter which I should like some time to discuss, that is of the danger of a centralized police force. That underlies and I think more than overcomes the economy that may be secured under the recent arrangement. All I am pointing out at this time is that it is an entirely wrong principle that a police force should be exempt when other people equally worthy and doing equally good work in the service of the country should be subjected to a cut of this character. Only yesterday, I think it was, a watchman was laid off and his job taken over by a mounted policeman. Had a watchman been doing the work he would be subject to the ten per cent cut, but to-day a Royal Canadian Mounted Policeman being on the job, the latter is not subject to the cut. The work is practically the same, and with all deference to the Prime Minister's statement with regard to the forces of the crown, I cannot see why men who are safeguarding government property or acting as ornaments in the art gallery or anything of that kind, should not be subject to a cut just as much as any other civil servant.

The same argument applies to the defence forces. The Prime Minister was not very explicit when he referred to British experience. I presume that he referred to the riots which took place when there was a reduction in the pay of the navy. I hope he does not imply that if the salaries of our militia were reduced there would be riots in this country, but I think that that was his implication. Surely that is not true! It seems to me that since so many of the higher salaries are being paid to those engaged in the national defence, as the hon. member for Kindersley pointed out, and since they may resign if they wish to do so, there is no particular reason why they should be exempted as is proposed. It

is all very well to talk of having entered upon certain terms of enlistment. But may I point out that many of the civil servants have enlisted in the civil service of this country ten, fifteen or twenty years ago, giving up lucrative employment elsewhere to do so, and giving up the prospect of promotion elsewhere. They entered the civil service of this country on the implicit understanding that their tenure of office would be secure. To-day a good many of them are being let out, and the rest of them have had their salaries cut down below what they would ordinarily receive under the statutory arrangements. It seems to me that this is all wrong, and I join with others who have protested against it in urging that we should have equal treatment for all classes of those who are receiving payment from this country.

Mr. DUFF: Before we leave this question about the judiciary, I am not quite sure whether the judiciary includes the ex-judges as well as the judges. I would ask the government if I am correct in assuming that the judges on pension are not subject to this ten per cent reduction. I notice on pages 22 and 23 of the estimates for 1932-33 a large number of estimable gentlemen who are receiving very large pensions. I will only read the first three names, for instance, on page 22. Sir Charles Fitzpatrick receives a pension of $6,666.66. I would like to know if his pension is subject to this ten per cent reduction, and if not, why he gets off without making this ten per cent contribution while the Finance Minister and I have to pay it. The same question applies to the next gentleman on the list, who receives a pension of $8,000, and also to the third gentleman, P. B. Mignault, who receives a pension of $12,000 a year. It seems to me that unless the pensions of these gentlemen are subject to this reduction, the act should be amended to include them, for surely a man who is drawing a pension of $12,000 a year and is carrying on a law business in a city of Canada should come under the provisions of this bill just as much as the elevator men and the lightkeepers and the charwomen and the members of parliament. Consequently I say that this act should be amended.

With further regard to my argument as to the blanketing—perhaps I should have said whitewashing—the provincial police into the Royal Canadian Mounted Police, I observe that in addition to the provincial police the land forces of the preventive service were also taken into the Royal Canadian Mounted Police. Now if the land forces of the preventive service had not been taken into the mounted police in the last few days they would have been subjected to this reduction of ten per cent, but because they have been taken into the mounted police the preventive service officers who work upon the land are not subject to the reduction.

Mr. ERNST: They get less money.

Mr. DUFF: I do not care whether they get less money or not. The labourer is worthy of his hire, and if they are not getting more pay it is perhaps because they are not worth any more. I am going to argue this like my hon. friend would argue it if he were in court.

Mr. ERNST: May I congratulate you if you do?

Mr. DUFF: My argument is this: Because the land forces of the preventive service are taken from the department of my hon. friend the Minister of National Revenue and put into the department of my hon. friend the Minister of Justice under the guise or under the heading of the Royal Canadian Mounted Police, they are not subject to this reduction of ten per cent, while the members of the preventive service who still remain under the Minister of National Revenue and whose work is much more hazardous than that of the land forces—I am referring now to the captains, officers and sailors on the preventive boats on the Atlantic and Pacific—have to suffer the ten per cent reduction. The land forces go scot-free and the members of the far more hazardous branch of the service have to suffer the reduction. I say that that is not fair, and I appeal to the Minister of Justice and to the Minister of Finance to see that the act is amended so that both these branches of the service will be treated alike. I should like an answer to my question, Mr. Chairman, with respect to the judges and ex-judges.

Mr. RHODES: The ex-judges are in the same position with respect to their pensions as the judges with respect to their salaries.

Mr. DUFF: They do not pay the ten per cent?

Mr. RHODES: No.

Mr. BOWMAN: I would like to say a word or two with respect to the proposed amendment as it would affect judges in the province of Manitoba. Under date of the first of April there appeared in the Winnipeg Evening Tribune an open letter from Judge Stubbs, of the city of Winnipeg, to the premier of the province of Manitoba, in which he states that he has been informed by the

premier himself that the government of the province of Manitoba proposed to tax the county court judges of the province in respect to their surrogate court salaries, which I might say are paid by the province. The proposal as set out in Judge Stubbs' letter was that the salary which Judge Stubbs receives for the performance of his surrogate court duties, namely, $2,500, was to be taxed by $1,350, and that the salaries of the other county court judges who receive $1,500 for the performance of their surrogate court duties were to be taxed by $1,000. The county court judges in the province of Manitoba receive a salary of $5,000 from the dominion government, and $1,500 from the provincial government for the performance of their surrogate court duties, with the exception of Judge Stubbs, in Winnipeg, who receives $2,500 in this latter respect. Judge Stubbs, in a spirited letter, wrote to the premier protesting against this tax and pointing out that so far as the province is concerned the tax amounts to fifty per cent of the salary which is paid to these judges by the provincial government. Some two or three days later Mr. Major, the attorney general for the province of Manitoba, replied on behalf of the government, intimating, while not directly saying so, that the tax would be put into effect. If we add to that tax a further reduction of ten per cent on the $5,000 salary which these judges receive from the dominion government, surely it is not treating the county court judges of the province of Manitoba in the manner in which they are entitled to be treated as judges of our courts.

Mr. BEAUBIEN: Let them resign, then, if they are dissatisfied.

Mr. BOWMAN: That is a very smart reply.

Mr. BEAUBIEN: It is a true reply, too.

Mr. BOWMAN: You might make the same reply to all the other civil servants whose salaries have been cut.

Mr. BEAUBIEN: The Prime Minister said the civil servants could resign.

Mr. BOWMAN: My hon. friend is receiving a ten per cent cut in his indemnity; why does he not resign?

Mr. BEAUBIEN: I will resign any time my hon. friend will.

Mr. BOWMAN: I suggest that my hon. friend should not try to make a hero of himself. Quite frankly, I should have liked to see the judges throughout Canada come forward, as has the Governor General, and submit voluntarily to a ten per cent cut. I believe they would improve their position in the minds of the public if they were to do that.

Mr. GARLAND (Bow River): Let us improve it for them.

Mr. BOWMAN: I have in my hand a letter dated March 7, 1932, from a county court judge in the province of Manitoba, from which I should like to read one or two paragraphs:

> I gather from press reports that the matter of a reduction in judges' salaries will be the subject of some debate, or at least remarks or opinions by members of the house, also that the power of the government to reduce such salaries is apparently in some doubt.
>
> In speaking for myself only I have no hesitation in saying that if a voluntary consent by the judges to a reduction would be of assistance to the government, I would be happy to do my part.
>
> If the matter comes up you will know my ideas on the subject, and have my hearty support and cooperation in any way that will help bridge the difficult period we are going through.

Mr. GRAY: Will the hon. member give the judge's name?

Some hon. MEMBERS: No, no.

Mr. BOWMAN: This letter is from Manitoba. If any hon. member wishes to see the letter he is at perfect liberty to do so. I hope hon. members will agree that I should not give the judge's name.

Mr. GRAY: I am stating what I believe to be the rule. If an hon. member reads a letter he should give the name of the writer. I ask for your ruling, Mr. Chairman.

Mr. BOWMAN: I have read only some excerpts.

Mr. GRAY: What is the ruling?

Mr. STEVENS: There are occasions, when a letter is not of a controversial nature, where it is desirable to withhold the name of the writer. I think the house usually agrees that in such cases the names should not be given. There is nothing controversial about the letter which has been read.

Mr. GARLAND (Bow River): As to whether or not the letter is judged controversial depends on which side of the house an hon. member may happen to sit.

Mr. STEVENS: Not at all.

Mr. GARLAND (Bow River): I had a similar experience a couple of years ago. Although the letter was of a noncontroversial nature the minister was one of the first to ask for the name of the writer.

Mr. STEVENS: On this occasion it is from a member of the judiciary. Surely my hon. friend will not insist upon the production of the name, particularly when the hon. member for Dauphin has agreed to show the letter.

Mr. BOWMAN: Mr. Chairman, in the Winnipeg Evening Tribune of April 4, I find an editorial under the heading "Independence of the judiciary." At this point I should like to read one or two paragraphs from the editorial:

> There are further facts to be taken into consideration.
>
> Judge Stubbs is not a member of the civil service of the province or of the dominion. He is a judge. The complete independence of the judiciary has long been recognized in English law. Independence, it was decided long ago, can be achieved only by permanence of tenure of office and absolute security in remuneration.
>
> It is a cardinal principle of our judicial system that judges are appointed for life, and can be removed from office only by impeachment proceedings which are so carefully safeguarded that a judge must be very clearly unfitted for his high office before he can be removed from it. He is not subject to removal because of the displeasure of any government, or even of the crown itself.
>
> Along with the assurance of permanence in his appointment must go absolute security of remuneration. That is at least one-half of the guarantee of his independence, because, if his salary is subject to the whims of a government or a political majority, he can obviously have no real independence. The power to reduce or refuse to pay his salary would constitute practically the same control over his acts and judgments as the power to remove him from office altogether.

I have pointed out this anomaly in so far as it exists in the province of Manitoba. I think hon. members will agree that we would be most unfair if we were to ask judges receiving salaries of $7,500 to consent to a reduction of $1,850, or those receiving salaries of $6,500 for a contribution in any one year of $1,500. For those reasons I cannot support the amendment.

Mr. GARLAND (Bow River): Referring to the judges in Manitoba, my hon. friend said they were subject to the tax on their surrogate court salaries. What about the judges in the other provinces?

Mr. BOWMAN: I am not making any comments in that connection. I have already stated my views.

Mr. NEILL: Mr. Chairman, I support the amendment. I thought the arguments of the Prime Minister were inconclusive. He has said that the judges are not civil servants, but that they act as buffers between the crown and the common people. I should think that would be true only in cases of litigation in the exchequer court, and hon. members know that that court performs only a very small part of the judicial activities of the judges. In ordinary court cases one would suppose that judges acted as buffers as between man and man, or between law-abiding portions of the community and those seeking profit by crime. I believe we are entitled to draw an inference from an hon. member's remarks, and especially from the remarks of a member as capable as the Prime Minister of expressing himself. The inference we might draw from his remarks would be that if judges' salaries were reduced their function as buffers would be imperilled or lessened, and that citizens would not be buffered as well as they were before. I do not think any judge would care to lend himself to that view. I think the test is on the question of salary. Do the judges receive salaries which could properly be reduced? When we know that members of parliament are receiving a cut which is equivalent in their case to 30 per cent or more, I do not know why judges receiving $5,000 to $15,000 per year should not be cut to the extent of ten per cent. Several hon. members have said that judges have written saying that they would agree to a cut. I submit that that is the answer to the suggestion that we should not tax them. They themselves recognize that they can afford to pay, and that it is proper they should do so. Is that not the answer to the suggestion that their salaries should not be cut? If it is right to accept a proportion of salary from one judge, or from half a dozen, would it not be better to have the contributions uniform? Otherwise we will have a condition which obtained not long ago in connection with a certain member of a legislature in one of the provinces. He made a gesture by rejecting a certain portion of his salary. After he left office the money was not disturbed, until he took advantage of his undisputed rights and asked for the payment of the moneys lying to his credit. I do not say that would be true in connection with the judges or other people who would voluntarily agree to make a contribution, but there would always be that danger, possibly from heirs of a deceased judge. If it is right to do it for some of the judges, or some of them at least think it so, why not make it apply all round?

As regards the lieutenant-governors, as my friend has said, the office of lieutenant-governor is regarded by many people as a high honour, and wealthy men are always glad to take the position. I do not know what the custom is in the east, but in British Columbia our lieutenant-governor does not

pay income tax—and the income tax is pretty steep out there and is going to be steeper. Possibly the release from income tax would add very considerably to the admittedly small salary that the lieutenant-governor gets in proportion to his expenses. The suggestion has been made that in the case of one man at any rate he would be compelled to resign. Well, Mr. Chairman, I would suggest —and men with more claim to statesmanship than I possess have taken the same view— I would say, let them resign, let us do away with all the lieutenant-governors. I do not apply that to the governor general perhaps, but let us do away with all the lieutenant-governors in this time of financial stress and anxiety. This dominion got along for the greater part of last session without a governor general, and we find that in Ontario they managed to worry along during the recent session without a lieutenant-governor either to open or close the proceedings. No doubt the duty was performed perfectly well by the chief justice of the province. I think it would be a good gesture in these days if we did away with our lieutenant-governors altogether.

As to the army and navy, the Prime Minister in his later remarks pointed out that there was more than a contractual arrangement, that it was a question of enlistment and the rank and file could not resign. That is true. But it could be easily got around by the government making the ten per cent reduction, and if any member of the permanent forces did not approve of it, give him an opportunity to leave the service. So far as making the reduction by "force of arms," so to speak, I do not think that would be right. I speak with some feeling because I was once a victim of something similar at the hands of the ancestors of the government now in power, because it was a Conservative government that cut my pay. I had enlisted with the permanent corps at its certain, agreed wage—a very small one. After some months I was advised that my remuneration had been cut down. Coming from a frugal country that did not strike me as being a fair demand. I put forward the very arguments advised by the Prime Minister to-day, that you cannot enlist a man and then cut down his scale of pay. I went before a board—there were officers galore, the general commanding, colonels, majors and other officers, and I took considerable risk of being put in the guard room for insubordination because I dared to stand on my rights. After a great deal of argument and discussion I was told that I could not get the rate of pay for which I had enlisted. But I got around it in another way.

As regards the suggestion that something might happen here if, as in Britain, we should enforce a ten per cent reduction, why was it said if it was not meant? The suggestion was: Look at what happened in Britain in connection with the reduction in the pay of the navy. I do not do anyone any injustice when I say it was found that the men of that particular grade had had their pay cut to an unreasonable extent, and to an extent far greater than the reduction applied to those drawing much higher salaries. There was good ground for the complaint by the men; but after all it was made in a most orderly way and only as a complaint. If there was not any such implication, why was the point made? The implication there is: "We had better be careful; if we meddle with the pay of the army and navy in Canada some weakness may develop which may imperil our safety." I do not think that is a pleasant implication, and having been a member of the permanent force, I take it upon myself to say there is no danger of any feeling of that kind being generated even if this cut is put into effect. But if there is any such danger, the sooner we find it out the better. If our army and navy are so unreliable that a ten per cent cut in pay for one year in the face of every civil servant in Canada having to take such a reduction, means that weakness will develop, the sooner we find it out the better. But the men of our army and navy have too much loyalty—not in the flag waving sense, but in the real sense of the word—to object to share in a general cut in pay. We have not heard of any letters to the Prime Minister from the rank and file volunteering to contribute ten per cent of their pay, and we do not know whether they have been given a chance to make such offer, but I am sure that no feeling of disloyalty would be engendered by a ten per cent cut—regret of course; but not disloyalty—but if any of them should consider a ten per cent cut improper because they are enlisted men, then give them the opportunity to withdraw from the service. In these days of unemployment I do not think very many would withdraw.

For these and many other reasons, that I cannot now dwell upon, Mr. Chairman, I certainly hope the amendment will pass. The right hon. Prime Minister, said of course he could not accept the amendment. But I do not see any necessity why it should not be accepted in the spirit in which it was put forward by the hon. member for Acadia (Mr. Gardiner).

Mr. RHODES: Mr. Chairman, the committee must rise in any event before six o'clock as this is Wednesday night. As it is quite obvious that we cannot conclude the discussion, I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. BENNETT: We propose to take the bills standing on the order paper—the Minister of National Revenue is ready with his bill, then the fisheries bills, and the Secretary of State tells me that his bills are ready to proceed with; then number 13 on the order paper and number 14. That will be the last to be taken up if we finish with the bill now under discussion.

Mr. MACKENZIE KING: Do I understand that we start to-morrow with the bill we have just had in committee?

Mr. BENNETT: Yes. But the order will be subject to change if it is not inconvenient to the house, because the second readings should be proceeded with before we go into committee in order to get those bills out of the way. Then we will take supply in such order as may suit hon. members opposite if we know their wishes in advance so the minister may be prepared with his estimates.

Mr. MACKENZIE KING: I desire again to say how much we appreciate the Prime Minister's offer in that regard. I think we will be prepared to go on with any supply if he will let us know the day before.

Mr. BENNETT: To-morrow we might continue with pensions, after which the justice department might be taken up and concluded. Then I could take up external affairs.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, April 7, 1932

The house met at three o'clock.

RAILWAYS AND SHIPPING

Mr. R. B. HANSON (York-Sunbury) presented the third report of the select standing committee on railways and shipping owned, operated and controlled by the government.

Mr. HANSON (York-Sunbury) moved that the report be concurred in.

Motion agreed to.

REPORTS OF COMMITTEES

First report of the select standing committee on miscellaneous private bills.—Mr. Stinson.

First report of the select standing committee on railways, canals and telegraph lines.—Mr. Harris.

CANADIAN NATIONAL RAILWAYS

SUPPLEMENTARY ESTIMATES REFERRED TO COMMITTEE OF SUPPLY

Hon. E. N. RHODES (Minister of Finance): I move that the supplementary estimates which have been reported this day by the select standing committee on railways and shipping be referred to the committee of supply.

Motion agreed to.

UNEMPLOYMENT AND FARM RELIEF

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, on behalf of the Minister of Labour (Mr. Gordon), I desire to lay upon the table orders in council numbers 439, 445, 449, 469, 509, 545, 736, 742, 766, 767 and 772, passed under the authority of the Unemployment and Farm Relief Act, 1931, and the Unemployment and Farm Relief Continuance Act, 1932.

I may say with respect to one of those orders in council dealing with Esquimalt, a question was asked the other day as to whether any new authorizations would be made. This is not a new authorization, but it contemplates $16,000 of an authorized expenditure of $191,000 being expended at this point rather than $31,000 as was originally intended. In other words, $15,000 will not be expended on repairing the dry dock and $16,000 will be spent on the dry dock grounds out of the original appropriation of $31,000, included in the $191,000. It is an entirely new item so far as items are concerned, but it does not increase the expenditure authorized.

Mr. WILLIAM DUFF (Antigonish-Guysborough): With regard to the tabling of orders in council from day to day, as only one copy is tabled, it is impossible for the different members who desire to see them to have that opportunity. May I suggest to the Prime Minister that they be printed either in the votes and proceedings or as an appendix to Hansard so that every hon. member will have an opportunity to study them?

Mr. BENNETT: That will be a matter for consideration.

Mr. LAPOINTE: Do all these orders in council deal merely with the expenditure of

money, or are there any passed under the provision respecting peace, order and good government?

Mr. BENNETT: My memory is—and I think I am accurate—there is none of them dealing with other than the expenditure of money, and with respect to money expenditure the basis for all such expenditures except, I think, with respect to the item I mentioned, will be found in the printed report that has been before the house some time. When there is any order in council passed under the provision relating to peace, order and good government, I shall endeavour to direct special attention to it.

CRIMINAL CODE AMENDMENT

TRUSTEES DEFINED. DISPOSITION OF FINES

Hon. HUGH GUTHRIE (Minister of Justice) moved for leave to introduce Bill No. 42, to amend the criminal code (Trustees defined. Disposition of fines).

Mr. MACKENZIE KING: Explain.

Mr. GUTHRIE: The bill is rather a simple one. The first section provides for an amendment to the interpretation clause in regard to the word "trustee." "Trustee" in the criminal code is defined as a trustee appointed under deed, will or other instrument in writing. The amendment is to include trustees who will be named under an act of parliament.

The other amendment is in regard to the application of fines. Generally speaking, all fines imposed, save those in regard to revenue, go to the treasurers of the various provinces to be disposed of as they see fit. There is in the present section a special clause in regard to Ontario allowing certain fines to go to the municipalities. The idea is to put Ontario on the same basis as the other provinces in respect to these fines. The matter was litigated recently and a case went to the judicial committee last autumn in regard to a large fine which was imposed in Toronto some years ago.

Mr. FACTOR: Under the new amendment will the fines go to the treasury of the province of Ontario?

Mr. GUTHRIE: Yes, to be disposed of as the Ontario legislature may see fit.

Mr. FACTOR: It takes away the effect of the decision of the privy council in respect to the Jarvis case and re city of Toronto.

Mr. GEARY: May I ask the minister if the proposed bill is to be made retroactive in any way?

[Mr. Lapointe.]

Mr. GUTHRIE: No.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

PUBLIC DEBT

Mr. MACKENZIE (Vancouver):

1. What is the amount of Canada's public debt at the present time?
2. How much of this debt is owing inside Canada?
3. How much outside Canada?
4. How much in New York?

Mr. RHODES: 1, 2, 3 and 4:

Unmatured funded debt:	
Payable in Canada. . .	$ 1,881,461,020 85
Payable in Canada and New York.	131,040,900 00
Payable in New York. . .	240,000,000 00
Payable in London. . . .	311,668,136 39
	$ 2,564,170,057 24
Less held in sinking funds.	62,387,324 01
	$ 2,501,782,733 23
Temporary loan.	15,000,000 00
	$ 2,516,782,733 23

Mr. BOULANGER:

What was the total debt of Canada at the end of the fiscal year, March 31, 1932?

Mr. RHODES:

Unmatured funded debt. .	$ 2,564,170,057 24
Less held in sinking funds.	62,387,324 01
	$ 2,501,782,733 23
Temporary loan.	15,000,000 00
	$ 2,516,782,733 23

WESTERN RELIEF

Mr. BERTRAND:

1. Were the supplies to relieve the western people purchased by the Dominion relief committee?
2. Were these purchases authorized by said committee?
3. If so, how, where and by whom were they made?
4. How many car loads of supplies were purchased and sent to the west?
5. Were said car loads of supplies carried free of charge by the railways?
6. What was the chief merchandise thus supplied?

Mr. GOTT:

Of Ontario's donations of food to the west, what percentage was sent by the residents of Huron South?

Mr. BENNETT: With respect to questions 17 and 18, may I say that the contribution of food made to the relief commission in Saskatchewan and to other portions of western Canada were made without reference to the federal government, and we are not in a position to answer those questions. The relief commission in Saskatchewan was appointed by the provincial authorities. I can give later, if it is so desired, a report as to the number of carloads that were shipped, but I cannot undertake to indicate in detail what the cars contained nor the points at which they originated.

Questions dropped.

BUSINESS OF THE HOUSE

INQUIRY AS TO LEGISLATION TO BE INTRODUCED DURING PRESENT SESSION

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask my right hon. friend if he would be able to give to the house at an early date—I would not expect an answer to-day—a statement of any further legislation that is likely to be brought down this session. We have now an indication of the budget resolutions to be considered, and the order paper, I think, contains mention of all other legislation of which we have had any intimation up to the present, apart from what may be based upon the reports of committees. If my right hon. friend could indicate at an early date what if anything in the way of further legislation is to be introduced, I think it would facilitate the work of the house generally.

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I was looking into that matter to-day. The Department of Agriculture may have two or three bills, one of which I think will be laid before the house within the next day or two, and there may be other amendments of departmental measures from that department. There are also one or two other bills, departmental measures, and of course depending upon the progress of events there may be another measure for submission to the house with respect to which I cannot say more than that it is a possibility. Beyond that, so far as I could ascertain at noon to-day, after carefully considering the matter for some time, while I do not wish to make a definite statement which the right hon. gentleman would not in any event accept, I can only say that so far as I know there is no legislation to be brought down other than that I have mentioned.

The right hon. gentleman spoke of legislation based on the reports of committees. I made clear the other day that further legislation would be introduced with respect to the problems of unemployment and matters of that kind. I gathered from what was said that the right hon. gentleman included that in the measures he mentioned. If he did not, I desire to indicate that on Saturday next I expect that representatives of all the provinces will be here, and that legislation will follow that conference of a character that cannot be wholly determined until such time as we have had an opportunity of discussing the matter with the representatives of the provinces.

CANADIAN NATIONAL RAILWAYS

SUNNYBRAE-GUYSBOROUGH BRANCH LINE

On the orders of the day:

Mr. THOMAS CANTLEY (Pictou): I wish to direct a question to the Minister of Railways by way of supplementing a question addressed to him yesterday by my genial friend the hon. member representing Antigonish-Guysborough (Mr. Duff), lord high admiral of the north Atlantic fleet. I refer to the extension of chapter 34 of the statutes of 1929, under clause one of which the construction of a Canadian National branch line from Sunnybrae to Guysborough was authorized. I trust that the minister will be good enough to arrange for one year's extension of that act. I would also ask if he cannot give us some assurance that work on this branch line will soon be continued and pushed to completion. The road is now seventy-two per cent completed, and as the government is confronted with the problem of unemployment I suggest that here is a splendid opportunity of providing employment, now so urgent a matter.

Hon. R. J. MANION (Minister of Railways and Canals): The hon. member for Pictou (Mr. Cantley) has drawn this matter to my attention on other occasions, and my hon. friend from Antigonish-Guysborough also brought it up yesterday.

Mr. DUFF: And at other times too.

Mr. MANION: Yes, certainly.

Mr. DUFF: We are both interested in this, my hon. friend from Pictou and myself. There is no distinction between us in that respect.

Mr. MANION: I was not going to make any distinction between the two as a matter of fact. In regard to the continuation of the

construction, that branch line is in exactly the same position as all the other branch lines throughout the country in that continuation of construction depends to a certain extent upon general conditions in the coming months. Regarding the extension of the time for construction of the line which my hon. friend from Antigonish-Guysborough mentioned yesterday, the government will bring in a bill some time this session to extend the time.

CANADIAN NATIONAL RAILWAYS

REPORTED LAY-OFF OF SHOP WORKERS

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I should like to ask the Minister of Railways if he can give us any information with regard to the reported lay-off of large numbers of employees in the Canadian National Railway shops. Winnipeg I know is in consternation over the report.

Hon. R. J. MANION (Minister of Railways): This question was brought up in the house a couple of days ago by some other hon. member, and I pointed out then that a committee from the shops had been here and had gone on to Montreal and was dealing with the management, in whose hands, of course, rests this whole matter. I was advised by Mr. Hungerford to-day that the management are still dealing with the committee and they are hoping to get some sort of an arrangement which will be more satisfactory than the original proposal. That arrangement, of course, is a matter between the management and the committee, but like my hon. friend I trust that the result will be better than the proposal contained in the original statement.

Mr. MACKENZIE KING: Might I state to the minister that I have had representations from both Edmonton and Stratford as to large numbers of railway employees being summarily laid off at both these cities, and the representations are to the effect that numbers of these men will become a public charge unless in some way arrangements can be made to have them retained at least on part time. I hope that the minister is bringing that phase of the situation before the railway company.

Mr. MANION: I brought that phase to the attention of the railway company some weeks ago because it had been brought to my attention—I do not exactly remember how—that a lay-off was likely to happen, and at that time the officers of the railway indicated that large numbers would have to be laid off. I suggested to them that in view of the unemployment situation they should endeavour to keep on as many employees as they possibly could, and their final proposition which was published in the press last Friday contemplated the laying off of only about half the number originally proposed to be laid off according to the statement of the railway officials to me. The men themselves agreed to a shorter working week, and the company decreased the number it proposed to lay off. But the committee is still negotiating with the management. I presume that Edmonton and the other point mentioned by my right hon friend are in exactly the same position as Winnipeg, and that whatever decision is arrived at in regard to Winnipeg will be applicable to the other shops throughout the country.

Mr. CAMERON R. McINTOSH (North Battleford): I heard the answer given by the Minister of Railways in regard to the completion of the Sunnybrae-Guysborough branch line. Do I understand the minister to say that so far as he is concerned he does not know whether this construction will proceed or not? Can he not give an answer to the effect, that it shall proceed?

Mr. MANION: I have already answered the question of my hon. friend from North Battleford (Mr. McIntosh) a couple of times, and the situation with regard to the Sunnybrae-Guysborough branch line is the same as that of all other branch lines. The management under present financial conditions do not recommend going ahead with construction of any branch lines, but providing conditions improve they may change their recommendation.

Mr. McINTOSH: That is a very good answer. Thank you.

UNEMPLOYMENT RELIEF—BRITISH COLUMBIA

On the orders of the day:

Mr. THOMAS REID (New Westminster): I would ask the Minister of Finance if a cheque to cover the dominion share of the municipal expenditures incurred in British Columbia in connection with relief work,—the order in council for which was passed on March 2, has yet been sent; and, if not, when such moneys to cover the dominion's share of municipal expenditures will be sent?

Hon. E. N. RHODES (Minister of Finance): The money was sent by wire I think on Monday last, very early in the week, at

all events. In fact, it was the first money that was forwarded after the bill received the royal assent.

NEW ZEALAND TREATY

On the orders of the day:

Mr. S. W. JACOBS (Cartier): May I ask the Minister of Trade and Commerce if he expects to give the house any information on the New Zealand treaty?

Hon. H. H. STEVENS (Minister of Trade and Commerce): Yes, I expect to.

Mr. JACOBS: This session or next?

Mr. STEVENS: This session.

Mr. MACKENZIE KING: Following the question that has just been asked, may I ask the Minister of Trade and Commerce if it would not be possible to make some official statement before we resume the debate on the budget because the New Zealand treaty is necessarily a matter of which many of us would like to make mention at that time.

Mr. STEVENS: I could not say definitely. We are awaiting some further word from New Zealand.

PETROLEUM AND NAPHTHA INSPECTION

The house resumed from Monday, April 4, consideration in committee of Bill No. 20, to amend the Petroleum and Naphtha Inspection Act—Mr. Ryckman—Mr. Tummon in the chair.

On section 1—Tests of petroleum.

Mr. RYCKMAN: Mr. Chairman, when this bill was last before the committee I was troubled by some matters which appear to be cleared up in the general statute, chapter 159 of the revised statutes of Canada. First, I should like to draw the attention of hon. members to clause 2 of the act, the interpretation clause, subsection (j), where specific gravity is defined. As mentioned by the hon. member for Willow Bunch (Mr. Donnelly), it is quite true that these tests were taken at about 60 degrees. From section (j) I read the following:

> "Specific gravity" means the weight of any fluid as compared with the weight of distilled water, both being at the temperature of 62 degrees by Fahrenheit's thermometer, the barometer standing at thirty inches; and specific gravity is expressed by stating in pounds and hundredths of a pound the weight of a gallon of the fluid compared or to be compared.

There is a schedule attached to the act, which defines the mode of testing, and specifies the pyrometer. Following the specifications for the pyrometer or testing apparatus are directions for applying the flash test. These directions are very minute, and they show how important it is that the temperature should be given every attention. For instance, if the room be too cold the temperature must be brought up; if it be too warm it has to be lowered. The amendment proposes only that there shall be a change in subsection (b) of section 10. There are three subsections in section 10, and all must be complied with. If I may be permitted I shall read the three clauses in section 10. They are as follows:

> (a) If, when tested by the pyrometer described in the schedule to this act, at a lower temperature than eighty-five degrees by Fahrenheit's thermometer, it emits a vapour that will flash; or,
>
> (b) if it weighs more than eight pounds and seventeen hundredths of a pound per gallon; or,
>
> (c) if it weighs less than seven pounds and seventy-five hundredths of a pound per gallon.

As we are aware the suggestion is that the seventeen-hundredths of specific gravity should be changed to four-tenths. Section 10 has been in the statutes for a long time; I know it was in the revised statutes of 1886. As has been certified this change can have no deleterious effect, and the effect may be beneficial. The temperatures are settled by the act through the clauses I have given.

While this matter is of a somewhat technical nature I hope hon. members will feel they understand the proposal, that it is only a minor change in the specific gravity arrived at by the test prescribed in the act itself in accordance with the schedule.

Section agreed to.

Bill reported, read the third time and passed.

BOARDS OF TRADE ACT

CONCURRENCE IN SENATE AMENDMENT

Hon. C. H. CAHAN (Secretary of State) moved the second reading of and concurrence in amendment made by the Senate to Bill No. 3, to amend the Boards of Trade Act.

He said: The sole amendment made by the Senate is to this effect, that representatives to the Canadian Chamber of Commerce may be appointed by the council of the several boards of trade, as well as at the annual meetings of those boards. After the bill passed this chamber the boards of trade throughout Canada made representations to the Senate that as the section then stood the necessity of appointing representatives at the annual meetings of all boards of trade should be obviated, and that these representatives

should be appointed in the alternative either at the annual meeting or, if not then appointed, by the council of the board of trade. Representations were made to me while the bill was in committee in the other chamber, and I thought at that time the amendment was well advised. It is for that reason I now move concurrence.

Motion agreed to; amendment read the second time and concurred in.

PATENT ACT AMENDMENT

Hon. C. H. CAHAN (Secretary of State) moved that the house go into committee on Bill No. 4, to amend the Patent Act (as amended).

Motion agreed to and the house went into committee, Mr. Tummon in the chair.

On section 1—Conflicting applications: notice to applicants.

Mr. CAHAN: Mr. Chairman, I may say that since this bill passed its second reading it has been considered by a special committee of this house. I do not think any committee could be more patient than that committee has been in hearing the representations made by those interested in patents, and especially by the representative patent lawyers of the country. The bill is reported with amendments, and the entire committee concurred in the amendments suggested.

The first section of this bill deals with conflicting applications for patents. Formerly such patents were referred to arbitration under section 22 of the Patent Act. In 1923 parliament passed an amendment to the effect that, after arbitration proceedings were initiated, either party to those proceedings might apply to the exchequer court for the determination of the conflict, and that thereupon no further proceedings should be taken by arbitration. The result has been that in order to obtain access to the exchequer court arbitration proceedings have necessarily been begun, which were very expensive to the prospective litigants, and then, after considerable expenditure had been made by the one or both parties in preparation for the arbitration, on the application of one of the contestants, the whole case came within the jurisdiction of the exchequer court. After thoroughly considering the matter and in the hope of avoiding these circumlocutory proceedings and obviating expense for applicants for patents who could ill afford to bear that expense, the committee has unanimously adopted the proposed amendments to section 22. Some changes were made, but section 22, as now expressed in section 1 of this bill, has received the unanimous approval of the committee, and I think I may say the unanimous approval of all the experts who appeared before the committee. I therefore move that section 1 be adopted.

Section agreed to.

On section 2—Invalid claims not to affect valid claims.

Mr. CAHAN: This section is important in this respect. It has been held by our courts that in an action for the infringement of a patent, if there were one valid claim in the application and several which were invalid, effect would be given to the valid claim. But the contrary is true if the action is one in which a patent is sought to be impeached. The committee concurred unanimously in this section, which abolishes any distinction between the two kinds of action. The section now provides that in any action or proceeding respecting a patent, whether it be an action for impeachment or for infringement, which contains two or more claims, when one or more of such claims are held to be valid, but another or others invalid and void, effect shall be given to the patent as if it contained only the valid claim or claims, so that all of the issues in the controversy before the court may be decided by the court. I move adoption of the section.

Section agreed to.

Sections 3 to 5 inclusive agreed to.

Bill reported, read the third time and passed.

EXCISE ACT AMENDMENT

Hon. E. B. RYCKMAN (Minister of National Revenue) moved the second reading of Bill No. 27, to amend the Excise Act.

Motion agreed to, bill read the second time and the house went into committee thereon, Mr. Tummon in the chair.

On section 1—Provincial analyst.

Mr. RYCKMAN: This section deals with the administration of the act and is important from the viewpoint of the department. However, I do not think there can be any difference of opinion as to the working out of the provisions. This section defines a provincial analyst as follows:

> "Provincial analyst" means any analyst appointed by the government of any province and having authority to make any analysis for any public purpose.

The new words are those which are underlined in the section. I might explain that at

certain points throughout the dominion there are analysts, who have not been appointed directly by the provincial governments but who have received authority to make tests and analyses. This section will permit the services of these analysts to be used in an official capacity.

Section agreed to.

On section 2—Power to refuse or suspend licence.

Mr. RYCKMAN: This section will permit the minister to give to the commissioner of excise the power to sign revocation of licences to brew beer. At the present time this takes up considerable time of the minister. It has been the practice that where a person has been convicted of selling liquor without a licence, should he possess a licence to brew beer, it is immediately revoked. I think this work could well be entrusted to the commissioner of excise.

Mr. LAPOINTE: None of the functions covered by the section to be amended are important?

Mr. RYCKMAN: It is true that this section transfers ministerial authority to an administrator, but I think I have stated correctly the character of the authority involved.

Mr. EULER: The authority granted by this section is analogous to that given to the commissioner of customs in connection with seizures.

Mr. RYCKMAN: This is similar only, if I may say so, in a lesser degree. Where conviction has been made for an infraction of the liquor laws of the provinces, it has been our practice to cancel any licence held by the offender.

Section agreed to.

On section 3—Recovery of penalties.

Mr. RYCKMAN: This is a matter of administration and I can best explain it by reading the note. It is as follows:

> The section as it stands provides for trial of excise offences before a judge of a county court, or before a police or stipendiary magistrate or any two justices of the peace. There are other functionaries vested by the provincial legislatures with the powers of two justices of the peace, e.g., the chief magistrates of Prince Edward Island, but who do not come within any of the classes specifically described above. Doubt has arisen as to whether such persons have jurisdiction to try offences under the Excise Act, and it is thought expedient to confer such jurisdiction upon them specifically.

This is merely an effort to arrive at uniformity of administration.

Section agreed to.

Sections 4 to 13 inclusive, agreed to.

Bill reported, read the third time and passed.

INTERIM SUPPLY BILL

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, we are nearing the fifteenth of the month when in the ordinary course certain expenditures will have to be made, and if the house is agreeable I should like to ask for interim supply. Of course, this can be done only by unanimous consent and if it is obtained I shall move that you, Mr. Speaker, do now leave the chair for the house to resolve itself into committee of supply to consider certain resolutions.

Mr. MACKENZIE KING: What will be the amount of interim supply requested? I understand it is to be one-sixth of the total.

Mr. RHODES: We are asking for one-sixth with the exception of certain special items, where we are asking for one-quarter. This is necessary if we are to function smoothly in the matter of the payment of our accounts. The new system of accounting requires that money must be voted and available in order to be ear-marked before commitments are made. The special votes in connection with which we are asking for one-quarter are Nos. 35 and 36, covering the Senate and the House of Commons. When the Senate and House of Commons are in session we are at the peak of our expenditure in connection with these votes. With respect to vote 45, experimental farms, we are asking one-fourth for that as well, because this being seeding time, it is the time of year when the largest experiments in the department are made. We are asking the same with respect to vote 186, geological survey, mines. At this period of the year the parties are leaving for the field and they must be placed in funds. Many of them live in remote areas not near to banks, and they must take actual money with them. Under our new system of accounting where there is no opportunity of switching accounts or of utilizing other funds, as was the case in the old days, when perhaps one-twelfth might suffice, the vote must be available in full. Another item is 207, care of patients under the Department of Pensions. This vote is very heavily called upon at the present time. It is an item which is largely uncontrollable and doctors' bills are flowing in from all parts of the country. The overhead at this time is therefore particularly heavy. Item 209 is for pensions. This is for pay and

allowances of ex-soldiers in the hospitals. Vote 210 is for unemployment relief, pensions, and vote 211 is operating expenses, pensions. One smaller vote is for the Commercial Intelligence branch of the Department of Trade and Commerce. These total amounts we are asking for under the division of one-quarter aggregate $2,236,407.85, as against the sum of $33,108,718.84, which represents one-sixth. I merely mention these figures to indicate that the amount we are asking for as one-fourth is relatively small compared with the total amount asked for.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Some of the items which my hon. friend has just enumerated have not been discussed at all. It is customary to obtain from the government the assurance that if such interim supply is passed it will not be taken as in any way committing the house to any one of the items nor in any way prejudicing the full discussion of an item and its ultimate rejection if so desired.

Mr. RHODES: Quite so; it is distinctly and clearly understood that it is without prejudice to the full rights of the house to discuss these items in extenso.

Mr. SPEAKER: I would ask the hon. member for Queens-Lunenburg (Mr. Ernst), to take the chair.

Mr. LAPOINTE: A great honour.

Motion agreed to and the house went into committee, Mr. Ernst in the chair.

Mr. BENNETT: When last evening I stated the order of business for to-day I was not aware that the Minister of Finance (Mr. Rhodes) proposed to take interim supply to-day. Had I known, I would have mentioned it.

Mr. RHODES moved:

Resolved, that a sum not exceeding $33,108,718.84, being one-sixth of the amount of each of the several items to be voted as set forth in the main estimates for the fiscal year ending 31st March, 1933, laid before the House of Commons at the present session of parliament, be granted to His Majesty, on account, for the fiscal year ending the 31st March, 1933.

Motion agreed to.

Mr. RHODES moved:

Resolved, that a sum not exceeding $2,236,407.85, being one-fourth of the amount of each of the several items to be voted, namely, votes Nos. 35 and 36, Senate and House of Commons; No. 45, Experimental Farms; No. 186, Geological Survey; Nos. 207, 209, 210 and 211, Pensions and National Health; and No. 286, Commercial Intelligence Service, as set forth in the main estimates for the fiscal year ending 31st March, 1933, laid before the House of Commons at the present session of parliament, be granted to His Majesty, on account, for the fiscal year ending 31st March, 1933.

[Mr. Rhodes.]

Motion agreed to.

Resolution reported, read the second time and concurred in.

WAYS AND MEANS

INTERIM SUPPLY BILL

Mr. RHODES moved that the house go into committee of ways and means.

Motion agreed to and the house went into committee, Mr. Ernst in the chair.

Mr. RHODES moved:

Resolved, that towards making good the supply granted to His Majesty on account of certain expenses of the Public Service for the fiscal year ending 31st March, 1933, the sum of $35,345,126.69 be granted out of the consolidated revenue fund of Canada.

Motion agreed to.

Resolution reported, read the second time and concurred in. Mr. Rhodes thereupon moved for leave to introduce Bill No. 43, for granting to His Majesty certain sums of money for the public service of the financial year ending March 31, 1933.

Motion agreed to and bill read the first and second time, considered in committee, read the third time and passed.

CANADIAN NATIONAL RAILWAYS

GUARANTEE OF SECURITIES TO MEET EXPENDITURES AND INDEBTEDNESS IN 1931

Hon. E. N. RHODES (Minister of Finance) moved the second reading of Bill No 40, respecting the Canadian National Railways and to authorize the guarantee by His Majesty of securities to be issued under the Canadian National Railways Financing Act, 1931, No. 2.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Ernst in the chair.

Bill reported, read the third time and passed.

DEBTS DUE TO THE CROWN

Hon. E. N. RHODES (Minister of Finance) moved the second reading of Bill No. 25, respecting debts due to the crown.

He said: Mr. Speaker, if it would suit the convenience of the house, I would suggest

that, without committing ourselves to the principle of the measure, we go into committee. I have particularly in mind the circumstances that objection has been raised by some of the provinces. There is no desire on the part of the government to attempt to enact legislation which does not carry the judgment of the provinces, and if that objection is pressed to any extent, we can amend the bill accordingly in committee.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Ernst in the chair.

On section 1.—Deduction of sums due the crown out of moneys due or payable by the crown.

Mr. LAPOINTE: The minister has foreseen the objection that would be raised on behalf of some of the provinces. I think I can speak for that of Quebec. They claim, and I think they are right in submitting, that it would not be fair for the government of Canada to retain either the whole or part of the subsidy to be paid to the province as a compensation for any debt or alleged debt, due to the crown in the right of the dominion by the crown in respect of the province. The subsidy is due in virtue of the constitution and some debts which may be claimed by the government of Canada from the provinces would not possess the same status as the payment of the subsidy. For instance, when, I think, my hon. friend was premier of Nova Scotia, that province strenuously objected to the dominion keeping the subsidy due to the province under the constitution, because of a claim that the dominion thought it had against the province for payment of certain militia expenditures in connection with a strike.

According to the civil law of Quebec, two debts may be compensated when they are equally due; they are demandable and liquidated. I do not think a claim of the character of the one I have mentioned and others of the same nature ought to be offered by the Dominion of Canada in compensation to prevent the payment of a subsidy. I would ask my hon. friend to strike out from the bill the mention of debts due by provincial governments.

Mr. RHODES: As the hon. member for Quebec East knows, I anticipated this objection and I have a rather intimate knowledge of the circumstances to which he refers. Of course in that case I should say this, that at that time the account was in dispute. We took rather exceptional ground that the attitude of the federal authorities was very high-handed. I thought that then and I still think so. In this case I have nothing of that sort in mind. I do not believe it is right and fitting that the dominion should attempt to interfere in any event with the subsidies; those are sacred things and they must be paid.

I shall, however, give a case which arose the other day where one of the provinces—I shall not mention the name—was in arrears in a very substantial amount in its obligations to the federal treasury, and at the same time it was pressing us for payments on pension accounts which it had sent in. It is manifestly unfair that a situation like that should not have some remedy applicable to it. The object of this bill was an entirely different one, as my hon. friend fully realizes. It was more largely concerned with individuals and in that case I do not think any exception can be taken. I would therefore ask my colleague, the Minister of National Revenue, to move that section one be amended by striking out the words "provincial government" in the second line.

Mr. RYCKMAN: I move accordingly.

Mr. WOODSWORTH: I was going to ask the minister whether it would not be possible to include municipalities in that amendment. I do not know just what relationships may be existing between the dominion government and the municipalities, but in connection with some of these relief works in which the dominion, the province and the municipality are cooperating, it may very well be that the municipality may get behind in its payments, and in such a case I would not like to think that the dominion government would hold up any subsidy to the province—I know, of course, that no subsidy goes direct to any municipality—because of any sums that a municipality might be owing. Would it not be possible to exempt the municipalities?

Mr. RHODES: There would be no objection if the danger my hon. friend has in mind were to arise, but as a matter of fact the municipality would be in an entirely different position from the province because, in the first place, we pay no subsidies to municipalities. In the second place, my hon. friend had reference to money coming to municipalities in virtue of the Unemployment and Farm Relief Act. There again we have no contract whatsoever with municipalities, our contracts being entirely with the province.

Mr. WOODSWORTH: Why put in the municipalities?

Mr. RHODES: That would place us then in the position of an individual or corporation who were debtors on some other account to the dominion, a matter entirely different. I would not anticipate a case where this legislation would be exercised if an account was in dispute.

Amendment agreed to.

Section as amended agreed to.

Bill reported, read the third time and passed.

JUVENILE DELINQUENTS ACT

CONCURRENCE IN SENATE AMENDMENT

Hon. HUGH GUTHRIE (Minister of Justice) moved the second reading of and concurrence in an amendment made by the Senate to Bill No. 8, to amend the Juvenile Delinquents Act.

Mr. LAPOINTE: Would the minister say what the amendment is?

Mr. GUTHRIE: The amendment made by the Senate gives the right of appeal in case of conviction under the clause. I see no objection to a man having the right of appeal under those circumstances.

Motion agreed to; amendment read the second time and concurred in.

YUKON QUARTZ MINING ACT

Hon. T. G. MURPHY (Minister of the Interior) moved the second reading of Bill No. 30, to amend the Yukon Quartz Mining Act.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Ernst in the chair.

On section 1—Moratorium on annual representation work.

Mr. LAPOINTE: What is annual representation work?

Mr. MURPHY: It is the work required to be done each year by the holder of a mineral claim. After a miner records his claim he is required under the act to do one hundred dollars' worth of work or else pay one hundred dollars in money each year until he obtains final title.

Section agreed to.

Section 2 agreed to.

Bill reported, read the third time and passed.

[Mr. Woodsworth.]

OPIUM AND NARCOTIC DRUG ACT

Hon. MURRAY MacLAREN (Minister of Pensions and National Health) moved the second reading of Bill No. 26, to amend the Opium and Narcotic Drug Act, 1929.

Motion agreed to, bill read the second time, and the house went into committee thereon, Mr. Ernst in the chair.

On section 1—"Drug" defined.

Mr. MacLAREN: These amendments are being made to the act so that it will conform with the regulations which were adopted at the Geneva Narcotic Convention held in the year 1931. The amendments are few in number; they affect neither retail druggists nor physicians. As wholesale druggists are affected they have been consulted in the matter, and have raised no objections to the proposed changes. While the retail druggists are not affected they have been informed regarding the changes. I might explain that clause 1 is to broaden the definition of the word "drug." Not only can it be made in the natural way, but if it is prepared by a synthetic process it comes under the definition of the word "drug."

Section agreed to.

On section 2—"Opium" defined.

Mr. McGIBBON: I should like the minister to give the committee a definition of some of these terms.

Mr. MacLAREN: I must refer to the act, if I am to do that.

Section agreed to.

On section 3—Liniments, ointments and other preparations excepted.

Mr. LAPOINTE: What is cannabis sativa?

Mr. COTNAM: I think it must be ultra vires.

Mr. MacLAREN: I think in Quebec the term is cannabis sativa, the vowel "i" in the word sativa having the sound of the vowel "e". Hitherto this was a drug which was not included in the list which might be used. It is one form of the drug used in India which, I believe, goes under the popular name of hashish. Probably hon. members have read about it. There is no objection to the use of it, and therefore permission will hereby be granted for its use.

Mr. NEILL: I thought the minister said this bill did not apply to retail druggists. I find this section refers to retail druggists.

Mr. MacLAREN: I hope the report does not show I said it had no reference to them; certainly I intended to say that it did not affect them. If the hon. member will read the explanatory notes I think he will find my statement is correct. In them I find the following:

Such necessary changes do not in any way affect the medical profession or retail druggists in this country.

Section agreed to.

On section 4—Neglect to keep records.

Mr. MacLAREN: I should explain this section, because it is rather important, and has special reference to codeine. While codeine may be sold by retail druggists without registration, if it is imported in wholesale quantities it must be registered. The change is for the purpose of checking up the proper uses of morphia and codeine.

Section agreed to.

Sections 5 to 8 inclusive agreed to.

Bill reported, read the third time and passed.

Mr. BENNETT: We will proceed with supply, Pensions and National Health.

Mr. MACKENZIE KING: Are we not to proceed with item No. 11 on the order paper?

Mr. BENNETT: It will have to stand until Monday. Some information I am seeking I have not yet received.

SUPPLY

PENSIONS AND NATIONAL HEALTH

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

Salaries and contingent expenses of the Board of Pension Commissioners for Canada, $451,284.

Mr. MACKENZIE (Vancouver): Has the minister the figures in regard to the actual cost in the first place of the Board of Pension Commissioners, in the second place of the pension tribunals and in the third place of the Pension Appeal Court?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): I am endeavouring to get that information for the hon. member. In the meantime I am prepared to answer any further questions in this connection.

Mr. McGIBBON: Mr. Chairman, I do not intend to delay the committee, but it seems that the matter of pensions is one to which this house and country must pay attention. I received information from the Board of Pension Commissioners the other day, and from it I learned that at that point there are 23,900 applicants for pensions, that in the pension tribunals there are 2,650, and before the appeal court there are 1,316, making a total of nearly 30,000 applicants for pensions to-day. I think it is quite apparent to everyone in this house that at the rate those cases are being heard they will never be disposed of in the history of man. Those applicants are dying all over the country, and they have not yet been given an opportunity to be heard. Parliament in its wisdom, or its unwisdom, gave these boys the right to be heard. That right having been granted, neither parliament nor the country is justified in putting any impediment in the way of its being exercised. It is quite apparent that with thirty thousand cases before the tribunals now the machinery is absolutely inadequate to function successfully.

I am going to make a suggestion to the minister—I have made it to the Prime Minister a good many times in the last few years—that we conscript the county judges to hear the cases in the first instance. I see the difficulty of creating more machinery, and I do not think we should do so, because in a year or two we would have a large number of officials on our hands with nothing to do, and the difficulty would be to get rid of them. More than that, we would have difficulty in getting the proper class of men to act. Consequently if we conscript the county judges to hear the cases in the first instance, those cases could be cleared off in about twelve months. Then I would convert the Board of Pension Commissioners into an executive body. Finally I would throw the tribunals and the appeal court together and make the combined body a court of appeal. I do not see why one man should not constitute a court of appeal. Then we could have enough courts to handle the appeals in ten or twelve months and give these men an opportunity to exercise the right that parliament said they should have. I feel we are not doing justice to the men, and we are not doing justice to ourselves, for having granted them the right to be heard, we are not justified in putting any impediments in the way of their exercising that right. I make this suggestion to the minister because I am so thoroughly convinced that otherwise these thirty thousand cases cannot be successfully handled.

Mr. WOODSWORTH: Mr. Chairman, I am not in a position to say whether the suggestion put forward by the hon. member for

Muskoka-Ontario (Mr. McGibbon) is practical or not, but I should like to join with him in urging that something be done immediately in this matter. I think any of us who have a number of pensioners in our constituencies must constantly be faced with the fact that the machinery provided by parliament for dealing with their cases has not proved adequate, and that there have been delays resulting in a great deal of hardship to those concerned. I hope that something may be done without delay to remedy this unsatisfactory condition of affairs.

Mr. MacLAREN: I presume the member for Vancouver Centre (Mr. Mackenzie) wished to know the salaries and other expenses in connection with the three courts. Here are the figures:

Board of Pension Commissioners, salaries of staff	$ 339,500
Commission counsel and staff	48,744
Staff in connection with insurance	10,800
Total	$ 399,044

There are other contingent expenses in addition to the figures I have already mentioned, the total being $415,284. The figures for the pensions tribunals for the ten months up to the last day of January of this year are:

Salaries of members	$ 52,405 88
Salaries of staff	103,125 97
Equipment	2,072 54
Telephones, telegrams, etc	1,361 38
Transportation and travelling of staff	53,352 58
Stationery and office supplies	4,473 82
Rentals	276 50
Maintenance and repairs to equipment	139 02
Freight and express	153 17
Miscellaneous	1,265 08
Fees and transportation of outside specialists	27,684 12
Transportation of witnesses	6,737 06
Transportation of applicants	10,531 37
Hospital observation costs	2,109 26
Pay and allowances	3,777 73
Cash advances	4,985 20
Accounts receivable	225 86
Janitors' supplies	13 43

Those figures make a total for the ten months of $274,894.13. The exact figures for the pension appeal board are not here, but the total is about $40,000.

Mr. MACKENZIE (Vancouver): Are the figures for the pension advocates included in any of those totals?

Mr. ARTHURS: I should like, Mr. Chairman, to make a plea for the country doctors who are the representatives of the department in the various country places. These men are paid a certain scale of fees, but only when they are dealing with pensionable cases. In other words, these doctors have men consulting them daily whose ailment perhaps has nothing to do with their pensionable disabilities. I think those doctors should be allowed a small retaining fee of $200 or $300 at least in addition to the ordinary scale of fees, which is most inadequate.

I desire to endorse what the hon. member for Muskoka-Ontario (Mr. McGibbon) has said. For many years I was on the pensions committee of this house. At the time the present law was recommended it was practically the unanimous opinion of that committee and of the representatives of the men, the pensioners, that the legislation then proposed would have the desired effect. As a matter of fact it has not had the desired effect, and to-day we find we have the cases of thirty thousand men waiting for decision by the various tribunals. Many of those men will be dead long before their cases are heard. Something should be done to bring these cases to trial at least within a reasonable time.

Mr. MacLAREN: The total cost for advocates is $184,260 which includes the advocates, the registrars and assistants, the head clerks, the principal clerks, the stenographers, the office boys and court reporters.

Mr. MACKENZIE (Vancouver): How many advocates are there?

Mr. MacLAREN: Thirty-three.

Mr. MACKENZIE (Vancouver): How many commission counsel?

Mr. MacLAREN: Ten.

Mr. SPEAKMAN: Mr. Chairman, in common with the hon. member for Muskoka (Mr. McGibbon) and other hon. members who have been for some years members of the pension committee, I have been greatly concerned with the present situation of thousands of applicants awaiting decisions on their cases. I am of the opinion that we have about all the legislation we need; I think the act as it stands is a good act and that it fairly well covers the necessities of the occasion, but we run into difficulties when we consider the machinery for carrying out the intentions of the act. I think it may be taken for granted that the people of Canada as a whole, that every hon. member of this house and any government which may be in power is anxious that these men should be dealt with properly. There is complete unanimity in that respect but the people of Canada as well as hon. members of this house have been wondering for a long time why it is that their intentions

so definitely expressed have not been put into force. In speaking in this way we are not trying to be critical of the minister or of the government, we are simply suggesting that perhaps it may be necessary to go a little further in simplifying and amplifying the machinery of the act. Perhaps in an attempt to be solicitous for those who are deserving of pension and to see that no one not deserving shall slip in, we have made the machinery too cumbersome for its purpose. As stated by the hon. member for Muskoka, there are in the neighbourhood of 30,000 applicants awaiting consideration, many of whom have been waiting since the time the act came into force in 1930.

Mr. ARTHURS: And some before that.

Mr. SPEAKMAN: Yes, and some before that, although I am speaking of the applications made under the new act. That is a long time for men to wait who are rapidly sinking into premature old age or who are hopelessly ill.

I have discussed the suggestions made by the hon. member for Muskoka with the hon. member himself and with others. I am not quite certain that his suggestions are the best, but I have not heard any others which offer any improvement. After all, there is a body of men scattered throughout the country who, on the whole, hold the respect of the people for their knowledge of law, their ability to sift evidence and their honesty and fairness of purpose. Whatever we may say about the salaries paid, we all agree that our judiciary is a body of men which can be depended upon to give fair opinions and decisions. Although they are not trained in this particular act, which is very intricate, they are properly trained in the sifting of evidence and even though the most of the evidence offered in these cases is of a medical character, the judiciary has had certain experience in the consideration of this type of testimony in the trial of civil damage and other suits.

It is obvious to all of us, and particularly to those who have been working on pension matters from year to year, that hundreds of these men are losing not only hope for the future but confidence in the country for which they fought and which promised to look after them. They are losing confidence in the legislation by which this country has endeavoured to carry out its promises. When the committee met a couple of years ago and evolved the present machinery it was thought it would be fairly ample for every contingency, that the cases would be handled with reasonable expedition and that there would be very little accumulation by this time. It is obvious that the committee was mistaken and that the machinery, effective though it may be within its limits, is not able to cope with the tremendous accumulation of applications which has occurred. Humanity dictates that we must supplement the present machinery with something else which will prove effective but, as the hon. member for Muskoka has said, we must not set up a tremendous machine to employ hundreds of men which after the accumulation has been taken care of will constitute a problem with which this country will have to deal. The suggestions offered may not be the best, but I would impress upon the minister and the government the need of immediate attention to this matter. If no other suggestions are put forward, it is due to this house and to the men chiefly interested that the suggestions which have been offered should be weighed and considered in a careful and sympathetic manner.

The minister may remember that twelve months ago I spoke in this chamber in connection with a particular case, that of a man by the name of Martin. The minister was good enough to interest himself in this case which was expedited so far as a hearing by a tribunal was concerned. This man had his hearing months and months ago but, as is the case with nearly every favourable decision, his case was referred to the appeal court where apparently it has been buried. In the meantime, the man is sinking rapidly. Such action is not fair to the man and it is objected to by all his friends. These people know his condition; they attended the hearing at the tribunal and having heard the decision, took it for granted that the man had won his case. The delay in a final decision has created a very bad feeling among all those with whom he was acquainted. This man's case is typical of hundreds and thousands of other cases.

I say now, as I have said before, that I am not in favour of the present provision which permits an appeal on the part of the commission from a favourable decision by a tribunal. The men who meet the applicant face to face are able to size him up, and I have always held that they are best able to decide, from their personal impression of the man, whether or not his case is a just one. I have felt that the final authority should lie somewhere, and I have regarded the tribunal as the logical body in whom it should lie. The law provides otherwise, however, and to some degree it has resulted in protecting the treasury. But to a greater degree it has increased the delay and the cumbersome nature of the machinery. I would suggest, therefore,

that when the proposal of the hon. member for Muskoka is weighed, those judges, if they are appointed, or whoever is appointed to look after the matter, should be given some power of finality, so that when they have heard a case it will not be merely the disposition of one stage of the proceedings, simply piling up in greater numbers cases that must be finally disposed of subsequently. If appeal from their judgment is necessary something might be done along the line suggested by the hon. member, which was in effect this: that the present members of the pension tribunals might be utilized as judges of appeal, divided into several courts of perhaps three members in each. These experienced men who are now engaged in the work might then form a sort of enlarged appeal court by means of which the whole matter might be expedited. Every man in this chamber and in the country as well has in mind the absolute necessity of dealing with this question and dealing with it in time to be of some good to the men for whose benefit the act was passed. I am not speaking critically; the mistake was mine as well as every other member's, because I took part in the committee in setting up this machinery, and my hopes have been frustrated, as have the hopes of every other member of that committee. It is obvious that it is not the fault of the minister or of the government itself. The fact is that the machinery we set up, under the conditions in which we set it up, was inadequate to meet the situation. But the situation must be dealt with, and lacking a better suggestion—and I for one am prepared to accept any suggestion from any quarter which might meet the situation—I would urge that this proposal that has been made be not turned down without the most careful and sympathetic consideration.

Mr. GRAY: I rise to make a plea on behalf of the returned soldiers who are applying for pension in the smaller centres. I had not the privilege of hearing the address of the hon. member for Muskoka-Ontario (Mr. McGibbon), but I gather from the remarks of the hon. member for Red Deer (Mr. Speakman), that he suggested something about county judges having jurisdiction over the matter. I had hoped to discuss that very subject when we were last considering this question. Like the hon. member for Red Deer, I have no fault to find with the legislation; but I do find fault, as the returned men themselves find fault, with the machinery which has been set up under that legislation. That machinery is too cumbersome. We did not realize exactly the extent to which applications for pensions would be made, and now we find that in the smaller centres the men are not having their cases heard by the pension tribunal. The minister the other night intimated that the members of the tribunal are working at full capacity, and I have no doubt that he is correct; but may I cite one specific example which I am sure is typical throughout Canada. In the county of Lambton, in the city of Sarnia, no tribunal has met although for over a year, as I am informed by the Canadian Legion, some twenty-eight or thirty cases have been waiting to be disposed of. It is true the tribunal have met in London, but all the cases they can handle there are those from the county of Middlesex and the city of London, and it is recognized pretty generally that they are unable to sit in the various county towns throughout the provinces. For this reason returned soldiers throughout the dominion find that their cases cannot be heard, while, as pointed out by the hon. member for Parry Sound (Mr. Arthurs), men are dying and going to their graves without the relief that was promised by their country and in the legislation itself when it was adopted.

I submit that in order to speed up the matter some additional machinery should be created. To this end I was going to suggest the appointment of the county judges. With all respect to them, I submit that in the majority of counties, especially in the smaller county towns, the county judges are not overworked, and I am sure that they would undertake the work without extra pay. This would obviate any additional expense to the government, and the judges would be able to administer the act just as well as any tribunal; for after all it is only the administration of a statute. As the hon. member for Red Deer has pointed out, the judges are used to hearing evidence and they would know the various applicants who would come before them. Everything considered, we should be able to clear the decks and have justice done the soldiers. In addition to that, may I point out to the minister that it would be, in the end, a real economy to the country. It may be said that there are some centres where the county judges are overworked and therefore would be unable to deal with the situation. In such centres an additional county judge might be appointed for the duration of the act. I suggest, therefore, that the members of the tribunal be left to sit on cases as they are now doing in such centres as Toronto, Windsor and the larger places, but that in the smaller centres—in the county I have the honour to represent and in the

large majority of other counties—some action be taken to expedite the proceedings and to see that the returned soldiers shall get a square deal through the administration of the act.

I am not complaining of the act, nor am I finding any fault with the minister; what I am complaining of is the machinery under which the act is administered. May I suggest also that in the smaller centres the pensions advocates are not giving, in the preparation of cases, that assistance which they should. To some extent this is no doubt the fault of the men themselves; but it has been my experience, and no doubt the experience of other members of the house, that the great bulk of the work has fallen upon the shoulders of the Canadian legion, who are doing it gratuitously in their spare time. They are working without any remuneration but merely in the hope that their reward will be the granting of pensions to those men whom they are helping. In the majority of cases, members of the legion or, where this is not so, others who are patriotic enough to assist in the preparation of cases, are doing the work. I do not think that is fair, and rather than pay large salaries to advocates I would suggest that in those centres some allowance might be made to the men of the legion and others of that sort who are giving valuable assistance.

I do urge the minister to see that the work of hearing applicants be speeded up. I am sure that anything that may be done to bring this about will meet with the unanimous approval of all parties in the house, and I urge upon the minister and the government to consider it. I gather from the remarks he has made in reply to the hon. member for North Battleford and others that it has not been definitely decided by the government not to introduce legislation this session. Let us have it in ample time, and if it is intended merely to establish additional machinery I am sure that we on this side of the house will support it.

Mr. McINTOSH: It would appear to me that as regards the northern part of Saskatchewan, at least the part I represent in the Commons, two main difficulties confront the returned men. One is in regard to those who are on the land and I intend to say something about that later on when that item comes up. The other is in regard to the pension question that we are now discussing. I asked the minister, I think twice this session, whether the government was considering the matter of bringing down new legislation in connection with returned men, and I think the hon. member for Red Deer also asked the question once, but so far the minister has given the answer simply that the matter is under consideration. In other words, no definite answer is given and we do not know in the Commons, and I am satisfied that the returned men throughout Canada have no idea as yet whether anything is to be done this session or not. My conclusion, from the answer of the minister, has been that we are not going to have any new legislation this session. If I am correct in that assumption, I think the returned men throughout Canada ought to know about it. The government ought to have its mind made up by this time whether it is going to do anything in the way of ameliorative legislation this session or not, and if not, the quicker that fact is known, the better; there is no use in delaying it.

Apart from that there is the question of the act. I think the act is all right or about all right. The administration of it is the difficulty. Some think we have too much machinery; some think we have not enough, and others think we ought to add to it. Thousands of cases are waiting to be settled; progress is not taking place as it should and the returned men are becoming very much dissatisfied. I was wondering whether the minister could not have a conference with the pension board, the tribunal and other bodies to discuss the whole situation in an endeavour to arrive at some conclusion whether the suggestions made here to-day can be acted upon, whether anything can be done to improve the administration of the act, and thus hasten the hearing of those thousands of cases that are at present clogging the administrative machinery.

I appreciate the answers the minister has given me so far. I know he occupies a difficult position. I know the problem requires thought and perhaps the government's mind has not as yet been made up, but I believe in the interests of the returned men throughout Canada they ought to know whether they are to expect anything in the way of legislation this session. They ought to know this at once. It is very important that anything that can be done to hasten the hearing of all these cases should be done, because I know in the North Battleford riding we have many cases that have not yet been heard, and the returned men there are not very well pleased. They are working hand in hand with the legion and all the other soldier organizations to get action. I have done my best to cooperate with them apart from politics at all, yet many cases have not been settled and as has been mentioned here this afternoon, if they are not settled soon

the men will pass away and redress will be impossible. I would therefore be glad if the minister, while we are in committee on this question, could deal with one or two of those phases in such a way as to send out at least a note of encouragement to the men throughout Canada who are expecting redress and who so far have not received it.

Mr. GERSHAW: I desire to mention just two difficulities with which I have met in connection with this legislation. I well realize that the committee who drafted this legislation hoped it would meet the situation. It was hoped that the judges who actually saw the applicant for pension and who heard the evidence which he and his witnesses gave, would be the final judges as to whether he should receive a pension or not. Great disappointment has been created in many instances where, after a case has been worked out and a favourable decision obtained from the tribunal, it has been found that the government advocate has appealed the case and then, after long months of waiting, that the appeal board has turned it down on some technicality. I know there are many cases before the appeal board, but this has been a very disappointing feature in connection with the working out of the legislation.

There is also the old difficulty of diagnosis. If a certain diagnosis is chosen, it might be worked on for months or years and finally there might be disagreement in regard to it. It seems too bad there is not some judge who could give a man a pension either on the diagnosis chosen or for whatever his trouble is or whatever the judge thinks it is. It is unfair that these men should be denied the privilege of pension through no fault of their own, but simply because of a difference of opinion as regards diagnosis.

Mr. NICHOLSON: I should like to say a word in support of the general idea of some effort being made to speed up the work of determining whether men are entitled to pension or not. From my observation it would seem to me that if the present plan is followed, many of these men will go to their graves before we or the country will know whether they are pensionable cases. In the portion of northern Ontario in which I live, I know of cases where I have been making every effort I could, where the Great War Veterans have been doing the same thing and where the Canadian Legion are constantly trying to bring cases to trial, so to speak, but where men have been waiting for two years or more, ever since the last legislation was passed, and do not seem to be any nearer getting before a tribunal than when they started.

The statement made yesterday about tribunals going into certain districts and spending a day hearing certain cases and then going on to another district, is true so far as northern Ontario is concerned. I know of men who have been notified that a tribunal would be in a certain place on a certain day and who have travelled a hundred miles to be there that day, only to find, just before their cases were to come up, that the tribunal had moved on to another place. I believe if the proposal of the hon. member for Muskoka-Ontario, which was supported by my hon. friends opposite, whereby district court judges could be conscripted for this work, were adopted, it would facilitate at least the primary part of the work and send the men on, if necessary, to a court of appeal. These judges are men trained in taking and weighing evidence; the applicant comes before them for a pension; the medical officers are there and they are in a position to decide, I think as carefully and accurately as any group of men who could be found anywhere. Surely the country has an obligation to say to those soldiers: You are or you are not entitled to receive a pension. The fact that we are now fourteen years from the conclusion of the war and that there are still some 26,000 or 27,000 applicants for pensions whose cases have not been heard and who have no idea when they will be, does not speak well for the administration of the act. Whether the county judges are the right ones or not will, I presume, be for parliament to decide, but certainly some steps should be taken to bring this matter to a conclusion and let the country and the returned men know who are entitled to pension and who are not. The cases are becoming so long drawn out and the dissatisfaction which is being created is such that one can hardly express the feelings these returned men have for what seems to them to be a deliberate neglect of what they look upon as an inherent right to have their cases thoroughly examined and a final decision made.

Mr. KENNEDY (Winnipeg): I should like to make a few observations relative to the working out of the present pension legislation. First I should like to make it very clear that so far as I have been able to ascertain there is no disposition on the part of the ex-service men to blame anybody in particular because of the present delay. The facts are, as hon. members of the house who were then present, are well aware, that in 1930 the whole matter of pension legislation was reviewed by a

committee of this house. That committee in conjunction with representatives of the ex-service men worked out amendments to the then existing legislation with a view to solving the question. That the legislation has not worked out as well as anticipated is not a matter for blame of the government or of the ex-service men or of the members of the committee. I think it is conceded by all that the pension legislation passed in 1930 and as amended in 1931 had in view facilitating the hearing of claims for pensions and their adjudication, but in the working out of that legislation certain defects have become obvious. I bring this matter to the attention of the minister not in any critical mood but as the result of considerable inquiry from the men who are involved and from the officers of the various organizations representing the men.

As far as I have been able to ascertain, the present congestion occurs at two points; first, before the Board of Pension Commissioners. I believe that to-day there are before that board approximately 23,000 cases. The number was greatly increased by reason of the amendment introduced in 1931, which had the effect of referring back to the Board of Pension Commissioners all those cases which had previously been refused by them. The reason for the referring back was because of that provision which is ordinarily known as the benefit-of-the-doubt clause, which was introduced in 1931. I am not going into that in detail because it is familiar to all who have studied the question. But as the result of that 1931 amendment there was referred back to the board cases which they had previously dealt with to the number of 15,311. Since the passing of the 1931 amendment more than 14,000 cases have been dealt with by the Board of Pension Commissioners, but there stand unadjudicated to-day more than 23,000 cases. At the present rate it is estimated that it will take years and years to adjudicate upon the cases already before them. Pension applicants making application to-day find that even with the machinery operating at maximum speed it will be years before their case can be determined.

As to the steps that should be taken to alleviate the congestion at the initial point, I am not going to elaborate. I understand that the hon. member for Muskoka-Ontario has made certain suggestions. I feel that the minister and the department are fully seized of the situation, and to put it in a plain, frank way, I think it is up to the department to work out some method, whether it is the method suggested or not, whereby the hearings before the Board of Pension Commissioners can be speeded up, and speeded up very considerably.

So far as the tribunals or the secondary courts are concerned, my opinion is that they are getting on very well indeed and that at the present time they are not in any sense congested. They are able at the present time to take care very comfortably of the cases that come before them, but in view of the fact that so many of the cases heard by the tribunals and decided in favour of the applicants are appealed on instructions from the Board of Pension Commissioners, we find congestion again before the appeal court, and there is the place where the present congestion is most marked. I have in mind a particular instance. Individual cases prove nothing perhaps, but this is a case which has been pending since 1927 to which I wish to draw attention. A favourable decision was granted in 1930. The case was referred to the court of appeal. I have investigated the record and I find that the applicant was dealt with very generously by the court of appeal. They found upon going into the facts that in their opinion a favourable award was not justified and they referred the case back to the tribunal, suggesting that further evidence was necessary on certain points and giving the applicant the opportunity to adduce further evidence. That case went back, was heard, and a second decision was given in favour of the applicant. The case was appealed again, on instructions from the Board of Pension Commissioners—I am not saying whether they were right or wrong in doing it—and now it is held up again by the court of appeal. I have visited that court and have looked up their records. There is congestion. But it is not their fault. I think they are doing as much as is humanly possible, but it is not possible for them to hear and determine expeditiously all the cases that are coming before them.

Ex-service men and their organizations, rightly or wrongly, feel that too great a percentage of the cases determined favourably to applicants by the tribunals are being appealed, and therefore delayed. The psychological effect throughout this country is very, very bad. Take the case I instanced. It is the case of a widow. She is at present ill and penniless, living on charity in a third-rate hotel in the city of Winnipeg. There have been two decisions in her favour and yet the matter comes before the court of appeal again and is there awaiting decision.

Mere criticism is of no value in itself unless some suggestion can be made. I draw to the attention of the minister—I know that he has

perused it—and to the attention of the house the joint considered opinion of the various ex-service men's associations, presented to the government with certain suggestions. Briefly, their suggestions relative to relieving the congestion in the appeal court are, first, that more care should be exercised by the Board of Pension Commissioners before they order an appeal from a favourable decision by the tribunal. Secondly, that inasmuch as the court of appeal consists of only three members, and the tribunal of twelve, sitting in threes, and in view of the large percentage of appeals coming up from the tribunals to the court of appeal, that court has more to do than it can handle. The suggestion has been made by joint committees of all the organizations that the court of appeal be enlarged—but in such a way as to involve no additional expense in administration—by making available for decisions in review the full membership of the tribunals. Roughly, the suggestion is that the same chairman of the court of appeal be retained, and that the legislation be amended so that the court of appeal may call upon any two members of the tribunal to sit in with the chairman and review cases. If that system were adopted, instead of one court of appeal consisting of three men there could be about fifteen men sitting, and five courts could be in operation instead of one. By that method there would be no additions to the personnel of the present machinery, no increase in the expense of administration, and there would be the advantage of expediting the hearing of appeals. Further, there would be coordination of the work of the appeal court and the trial courts.

Rightly or wrongly the feeling is abroad that there is not proper coordination between the court of appeal and the tribunals, the trial courts. The witnesses come before the trial courts sitting at given centres. Those courts hear the witnesses, observe their demeanour and weigh the evidence. It is a well known principle of law that an appellate court will not reverse the decision of a trial court upon matters of fact—on matters of law, yes, but on matters of fact, no, unless it is obvious there has been a gross miscarriage of justice. In view of the fact that 60 per cent or more of the cases decided before the tribunals in favour of the applicants are appealed, and approximately 75 per cent of the appeals are allowed, there is a feeling that something is wrong, and that through lack of coordination between the two courts a weakness exists. There is a belief that if members of the trial courts were allowed to sit in on the appellate courts they would gain experience both in the trial and appellate divisions, and as a result there would be better administration of justice and greater expedition in the administration of the act.

There are two points for consideration. First, there is the congestion which cannot for years and years be relieved with the present machinery. Secondly, we know of cases which have been heard before the appellate court wherein the applicants have received favourable decisions, and yet because of appeals being filed in the meantime they could get no relief. We know of cases where applicants have received favourable decisions from trial courts. Those decisions have been appealed and the applicants have had to wait six months or a year for the hearing of their cases. In the meantime they may be in want, in destitute circumstances, and urgently in need of medical attention which they do not receive. I may receive the answer, "Oh well, ultimately the appeal court will decide in their favour, and the decisions would be retroactive." The answer is that many of them die in the meantime, and many others suffer hardships. Therefore, Mr. Chairman, although I know the minister is endeavouring to do everything within his power, and that these matters are constantly in his mind, I earnestly urge upon him to consider, not at another session but before this session closes, the making of certain amendments to the existing legislation which will expedite the hearing of cases.

Mr. ROSS: I think the hon. member who has just taken his seat has laid his finger upon most of the sores in connection with this matter. Probably I would do well to review the progress which has been made at various times in an endeavour to satisfy the returned men. I think all people are convinced, when they look at the large sums of money which have been spent in an endeavour to give the returned men satisfaction for the sacrifices they made, that there has been no great effort to economize.

The procedure we have known for years and years arose from the formation of the Board of Pension Commissioners. That body had absolute control in the matter of the pensions of ex-service men. All men who have served know about the activities of the pensions board. As time went on there was a feeling, first that the actions of that body were arbitrary; secondly, that cases were heard in camera, and that the men who gave decisions concerning the eligibility of applicants to pensions did not see the applicants. Because of that condition the board of appeal

was formed, and the two organizations I have named worked for some years. But as the hon. member who has just spoken has said, there was no coordination or cooperation between or standardization in those two bodies. There was a feeling that jealousy existed between them, that they were working contrary to and criticizing each other.

Then we came to the committee of 1930. When the statement is made that ex-service men are dissatisfied, the reply might be made: "Well, this is your own legislation." I should like to say, however, that in the committee of 1930 every attempt was made to keep free from partisanship. The legislation under which we are now operating is the result of an endeavour by the returned men to wipe out difficulties and get away from dissatisfaction. Consequently, arising out of a decision of a meeting of returned men in Regina, the suggestion was made that tribunals be formed, and that they be empowered to sit on cases after they had been heard by the Board of Pension Commissioners. Then, the court of appeal formed the third court. So that no matter what government was in power, and no matter who may have been the minister, undoubtedly there was the greatest endeavour to give satisfaction.

Here is where the difficulty arose: Throughout the meetings of that committee we were constantly informed that the Board of Pension Commissioners were overburdened, and were unable to deal adequately with the applications. But what happened? The legislation not only placed upon the Board of Pension Commissioners all the burden they already had, but sent back to them all the cases that had been commuted and all the cases that had been dismissed. It was pointed out in committee then: If the Board of Pension Commissioners are overburdened at the present time, how in the world are they going to function when this additional burden is thrown upon them? It was my belief at that time—and I did not support the legislation; the hon. member for Red Deer (Mr. Speakman) stood with me—that this was bound to fail. In short, you were going to plug the machinery right at the beginning. And it has turned out just as we predicted. I am afraid we are again in this position, that we are not getting cooperation between the Board of Pension Commissioners and the tribunals. It may be that one is too hard and the other is too easy, but there is no cooperation. You have two courts reviewing cases. The Board of Pension Commissioners review each application. They do not say, "We dismiss the application." They just simply say in their letter, "We do not grant this." Then they add, "You may take this now to the chief advocate of the tribunal." If there was some cooperation and the reason was given why the application was refused, it would save a whole lot of reviewing and would give the tribunals a better opportunity to go on with their work. But imagine the position. Here is legislation directing that the case be reviewed thoroughly by the Board of Pension Commissioners. They do not grant the application, therefore the case goes to the tribunal. It is taken to the tribunal by the advocate. Someone says the advocates do not work. I differ absolutely with that statement; they do work. But the advocate has got to go through the mill with the case, and when he is satisfied it is ready for hearing it is brought up. A little bit of standardization of opinion would save all the delay. Suppose it was announced: "We have sat on this case in camera; now we will throw it open and submit it to the tribunal." I do not think "tribunal" is the appropriate title. In my opinion the apt title would be "travelling pension board." If this travelling pension board were part of the Board of Pension Commissioners, the men would not be disposed to appeal their cases, for there would be something definite, something determinate in the way in which they were dealt with. What happens now? The man goes through the mill again with his case, his eligibility is established, and he goes away quite satisfied that he is going to get his pension. Then within ten days he gets a notice, "Your pension is appealed." No reason is given for this action. I have taken up one or two cases and asked the reason for appealing them, but without getting any satisfaction. Apparently it is just a matter of routine. Does that occur in only a small proportion of these cases? No, I am told the appeals run as high as eighty per cent of the cases dealt with. There is the cause for dissatisfaction, that after going through two courts the returned man gets a letter saying, "Your case is appealed." He does not know on what grounds it is appealed, nor does the advocate. Every service man knows what a pension board is, and I would keep that title before him. I would change the system so that instead of a court sitting in camera you would have travelling pension boards. Then it is quite clear the number of appeals would be trifling. Our intention at the time the legislation was passed was that the man should have the benefit of this appeal court.

Some hon. MEMBERS: Hear, hear.

Mr. ROSS: That was our thought in the committee of 1930, that the court of appeal we had proposed would be for the benefit of the man. But now he has to go before a third court to fight his case. If the first two courts were pension courts, then of course there would be no appeal, and the appeal court would be what we intended it should be—a third place for the man to have his case reinstated. Let me add, Mr. Chairman, that the committee recommended and this parliament gave the men exactly what they wanted, but evidently some unseen, occult force has upset our plans. When we formed this court of appeal it was the intention that it would be for the benefit of the returned man.

Some hon. MEMBERS: Hear, hear.

Mr. ROSS: Instead of that the Board of Pension Commissioners have used it as a court of appeal to the extent of eighty per cent of the cases dealt with. That is the position we are in, and that is the difficulty. We should take the organization and say: "Here, work together, cooperate, coordinate and get this thing settled." I think, if anything, the county court judge would be the best man for the appeal court. I have no objection to the present courts of appeal. They have dealt fairly with any cases I have had before them. In several instances, as has been said, they felt there was further evidence that could be brought out, and instead of giving a decision they sent the case back to the tribunal. In that way I think the present head has shown his hearty sympathy for the returned man. All that is needed is a spirit of cooperation, a desire to work together; but a feeling of jealousy has crept into these courts, and as a result the returned man has suffered.

Mr. KENNEDY (Winnipeg): May I ask the indulgence of the committee, Mr. Chairman, to refer to one other point? In doing so I may be crossing a bridge that may never be reached. It has been intimated to me that there is a move to change the legislation in this respect, that the tribunals which at present hear the cases and have power to adjudicate and render a decision are to have that power withdrawn, and that travelling boards are to be constituted, boards of inquiry to gather the facts in relation to each application, and then to submit it to the Board of Pension Commissioners for decision. If that be so, I suggest to the minister that any step in that direction would be a mistake. The whole trend of future legislation with a view to carrying out the wishes of those immediately concerned has been, instead of centralizing the matter of decisions in Ottawa, to decentralize as far as possible to the districts in which the men live. In the development of this legislation there have been brought into being the tribunals which sit in given centres and before which the applicants can bring their testimony and discuss their case with the members. The returned men have great confidence in this system and feel that they will obtain the best measure of justice by being face to face with the trial court which is to adjudicate upon their cases. There is a well grounded fear that if the power of adjudication is taken away from the tribunals and they be permitted to act only as fact finding bodies, the applicants will not obtain the treatment expected. I do not say that this action has been mooted by the government but it has been intimated to me on very good authority that it is under consideration, and I take this occasion of drawing to the attention of the minister that any step along this line would be considered as retrograde in character.

Mr. MacLAREN: In a discussion of these matters, practically everyone seems to have an opinion a little different from his neighbour's. I do not blame the machinery so much; if we want to criticize, perhaps we should criticize that special committee of which I along with several other hon. members of the house, was a member. This committee placed so much work upon the proposed organization as to make it practically impossible of being effectively carried out. The fault does not lie with the organization, it lies with the authority which placed an almost impossible burden on the machinery. Certain of the amendments enacted last year did a good deal towards remedying this trouble. I would remind the committee that when the amendments of 1930 were passed there were 19,000 final payment cases given authority to come before the court and there were 6,000 cases before the old appeal board. That did not offer a fair start to any organization or machinery.

I do not think it is proper to try to make the actual facts appear more unfavourable than they are. No doubt there were many difficulties encountered, but I do not think a fair picture of the conditions prevailing has been presented. The hon. member for Winnipeg (Mr. Kennedy) has repeated several times that it will take years and years for the pension appeal board to handle its work. I think the facts of the case are against that statement. As I said the other day, in seven months this board has dealt with 14,347 cases. In seventeen months the tribunals have dealt

with 6,008 cases and in thirteen months the appeal court has passed on 2,947 cases. I do not think the hon. member referred to that. In my opinion this machinery is working quite rapidly; it is all a question of the number of cases to be heard and providing the facilities for hearing them. The different courts are working industriously and in one instance they are getting on quite rapidly. I do not mean to convey that there is complete satisfaction with the result, but I think the true facts present a different aspect from that attempted to be given by hon. members.

Hon. members interested in these matters should go down to the department and see it in operation. They should meet the officials and discuss the different aspects of this matter. I suggest that this would be to the mutual advantage of hon. members and the department.

One hon. member has stated that no court has been held at Sarnia. I am sure if this had been drawn to the attention of the officials the error would have been rectified, although I am of the opinion that there is probably some good reason for a court not having been held. Another member referred to the fact that a tribunal had sat and then moved on before a certain applicant could present his case. I venture to say that a proper explanation can be given for this. The itineraries of these tribunals are arranged several weeks ahead in order that witnesses may be gathered together, and if a man should arrive too late, the court must move on in order to keep its appointment somewhere else. If the hon. member will give me the particulars in this connection, I shall be very glad to look into the matter.

The suggestion was made that the judges of the county courts should handle these cases. Hon. members have expressed opinions for and against this suggestion, and I shall at present not offer comments. The hon. member for Kingston (Mr. Ross) has stated that there should be cooperation, coordination and standardization. Hon. members should not be of the opinion that the members of the courts do not consult or cooperate. I encourage them to do so, and, irrespective of my encouragement, I know they do. I do not say that they do it so constantly, because there is some difficulty when men are scattered throughout the country. But that point is not lost sight of.

Some hon. MEMBERS: Carried.

Mr. SANDERSON: No. I would ask that you call it six o'clock, Mr. Chairman.

At six o'clock the committee took recess.

After Recess

The committee resumed at eight o'clock, Mr. Tummon in the chair.

Mr. SANDERSON: When the committee rose at six o'clock the minister was making some observations arising out of the discussion this afternoon. A few nights ago, when we were in supply on this item, I made some brief remarks and I want to repeat some of them. In my dealings with the minister he has always been very kind and patient, gone to a great deal of trouble and taken a personal interest in any matters I have brought before him, and I do not want him to think my remarks are at all critical. My only desire is that out of this discussion will come, if not this session—and I hope it will this session—perhaps next session some amendments to the Pension Act to overcome some of the difficulties and defects that have been found since the amendments have been added, I have also nothing critical to say in regard to any official of the pension board, the tribunal, the appeal court or the department.

Mention was made this afternoon of the special committee that sat in 1930. I think the personnel of the committee of 1930 was practically the same as that of the committee of 1928, and most of the hon. members who spoke this afternoon were members of both those committees. In passing I should like to remark that the committee of 1928 and that of 1930, in recommending amendments to the Pension Act, made an earnest and sincere attempt to frame those amendments in the light of the evidence placed before them. This afternoon the hon. member for Kingston City mentioned the fact that almost everything the representatives of the legion and of other ex-service associations suggested, was carried out and embodied in the amendments made to the act in 1930. I think the greatest difficulty which the committee had at that time, and which appears to have been the bone of contention in regard to granting pensions ever since the inception of the act, that thousands of ex-service men had been discharged on demobilization without medical examination, and that many had been discharged with a medical examination which was not very thorough, I do not lay the blame for this entirely on the authorities of that time, because when the men returned from overseas they were all anxious to get out of the service and back into civil life, and I believe many returned men at that time, for that reason, hesitated to say they had any disability. Those who were in charge of the administration of the act from the time of its

inception to 1928 before the first committee was formed, and again up to 1930, were confronted with the situation that the great difficulty which lay in the way of a returned man receiving a pension was the fact that it was impossible for him or anyone else to prove absolutely that his disability, no matter of what sort it might be, was traceable to war service. The amendments were framed largely for the purpose of overcoming this problem so that the returned man, if he could not prove by medical authorities that his disability could be traced to war service, would get at least the benefit of the doubt and, if possible, a pension would be awarded to him.

From my observation of the working of the act since 1930 in connection with quite a number of cases that have come under my notice, I have reached the conclusion that the returned man does not always get the benefit of the doubt, as was intended under the amendments. In some cases it is perhaps more difficult now to prove that his disability can be traced to war service than it was before the amendments were added in 1930. If this objection could be overcome, I do not think there would be much criticism of the Pension Act. The trouble seems to me to be that we have too many boards or courts. We have first the Board of Pension Commissioners, second, the tribunals, and then the appeal court. In many instances where a returned man comes before a tribunal and the evidence is brought out, the verdict is that he is eligible for pension. He leaves thinking he has won his case and he is at last going to receive a pension. But that does not always happen; for the reason that the appeal court, which has not seen the man as the tribunal has, reviews the evidence and reverses the decision of the tribunal, the result being that the man who thought he had been granted a pension, does not receive it. That is a difficulty which should be removed. some method ought to be worked out whereby the intention of the amendments as added in 1930 in regard to giving the returned man the benefit of the doubt, may be made clearer and workable.

In connection with the act as it stands there are many other matters which in my opinion are not working out to the benefit of the ex-service men. I well remember that in the committee of 1930 the hon. member for Kingston city took the stand—and I do not think he had any supporters; I am free to confess that I did not agree with him—that the whole machinery with regard to pensions would be clogged; that it would not work. As time has passed his judgment has proven to be correct: there is a clogging of the machinery making it very difficult for the returned man to secure a pension. He may be out of work, as in many instances he is; he may have a wife and family depending upon him, and he is kept waiting for months and even years. I have in mind two cases that came under my observation, where the applications for pension were made before the Board of Pension Commissioners, one in September, 1930, and the other in November, 1930. In both cases the decision of the Board of Pension Commissioners was that the men were not entitled to pension. Both those cases were handed over to the tribunal, but they have not yet been heard and they go back to 1930. Surely that should not be. There should be some method whereby those cases could at least be heard and disposed of, favourably or otherwise, without that length of time elapsing. We have in this country many men who have made applications for pensions and have been turned down, and that condition will continue to exist. Apart altogether from the justice of their cases, whether they are entitled to a pension or not, the whole machinery should be speeded up. I made that suggestion to the minister the other night, but from his remarks this afternoon I do not think that he took it seriously. The other night he gave the committee the number of cases that had come up, the number of cases pending, and other information in that regard. I know there is a tremendous number of cases pending, and thousands and thousands of cases which have not even come before the pension board yet. It is a well known fact that many men returned from overseas apparently physically fit, but as the months and years went on, some disability developed which they claim is due to their war service. That condition will continue, and if there is any way in which the minister and his department and the government can work out some amendments to the act to accelerate the machinery, I think I can assure him that if those amendments are brought down even this session he will receive the most sympathetic cooperation from this side of the house.

I would appeal to the minister to take into consideration, I will not say the criticism, but the suggestions that have been made this afternoon in regard to the working out of the Pension Act. I know that the minister is sympathetic. I know that he has a very heavy department to administer and that at times it may be difficult to satisfy the claims of returned men, but if he would give this matter some attention, I think with his offi-

cials he would be able to work out some solution which would improve the condition that now exists.

The hon. member for Kingston this afternoon mentioned another matter. He thought that there was not the proper cooperation and coordination between the pension board, the tribunal, and the appeal court, and he mentioned especially the lack of cooperation as between the tribunal and the appeal court. It may be so. I have no knowledge of this, but the hon. member for Kingston as a rule speaks of things of which he has full knowledge, and he must have some information which bears out the remarks he made this afternoon. No hon. member who sat in this house three or four years ago will deny that at one time there was a lack of cooperation and coordination between the pension board and the appeal board of that day. That was proven, I think, before the special committee on pensions that sat in the session of 1928. This is a matter which should receive the attention of the minister, and if it is one of the difficulties that is keeping ex-service men waiting, not only for months but for years, to get a hearing, the minister should take action to remedy it without delay. I feel satisfied that he will, and that he will be able to work out some solution of this very difficult problem. It is a problem that has grown with the years and will continue to grow. I do not think that this country will be able to reduce to any material extent its expenditure on military pensions for the next fifteen or twenty or perhaps thirty years. My own opinion is that the number of applications and the expenditure for pensions will continue to increase.

The suggestion was made this afternoon by some hon. members that a solution of the difficulty might be to have the county court judges hear the pension cases. They may be right, but I do not think so. I am not in favour of that suggestion. I do not think the county court judges should be asked to take up this work. I think rather it should be done along the present lines, but the difficulties that now exist should be smoothed out.

I will mention a matter on which I dwelt for a moment or two the other night. The travelling tribunals when they visit certain places to hear cases do not clear up all the cases they have on their docket. Notices are sent out to returned men that their applications for pension will be heard at a certain place on a certain date, and they travel perhaps many miles to get to that place with the expectation that at least their cases will be heard. But the cases are not all heard. There may be ten or twelve cases on the docket and only three or four or five may be heard, and the men whose cases are not heard have to go back home without even knowing when they will have another chance to have their cases heard.

Mr. MacLAREN: They may have not been sent for. Unless they are prepared they should not come.

Mr. SANDERSON: I am speaking of cases where the men have been sent for, and where their cases have been prepared for them by the pensions advocate, and where they have been notified by mail to come, with transportation sent to them in many cases to the place where the board is sitting. They are notified to be there on a certain date and that their cases will then be heard.

Mr. McGIBBON: Considering that these bodies are working as hard as they physically can and that there is now an accumulation of thirty thousand cases to be heard, with more coming in all the time, what is my hon. friend's solution for the difficulty?

Mr. SANDERSON: One solution that occurs to my mind now would be for the tribunals to make their docket lighter. Do not load it up with a lot of cases to hear in one or two days which they cannot possibly finish in less than six or seven days.

Mr. McGIBBON: I am afraid the hon. member did not get my point. With thirty thousand cases to be heard it is absolutely a physical impossibilty for the present tribunals, the pension board, and the appeal court to handle them if they worked twenty-four hours a day. What is my hon. friend's solution for that difficulty?

Mr. SANDERSON: The solution I suppose would be that the machinery and staff should be enlarged, which would entail more cost to the country.

Mr. McGIBBON: And in two or three years you would have to dismiss them.

Mr. SANDERSON: That would be an easy matter. We are dismissing civil servants all the time.

Mr. McGIBBON: You would not get good men to take the job just for a year or two.

Mr. SANDERSON: I do not agree with my hon. friend from Muskoka on that. I am sorry we do not agree, but I should like to ask him this question: Does he think it is fair that returned men should be notified to be at a certain place to have their cases heard, and, after waiting two days, not have them heard?

Mr. McGIBBON: I agree that is not fair.

Mr. SANDERSON: I am glad we agree on that.

Mr. MacLAREN: I should like to have the names of those men, because I should wish to have investigations made.

Mr. SANDERSON: I will send them to the minister to-morrow.

Mr. MACKENZIE (Vancouver): I should like to say a few words, Mr. Chairman—

Mr. MANION: I wonder if the hon. member would allow me to speak first. Like the hon. member for South Perth who has just taken his seat, I was on the committee. It is well to point out, as did the hon. member for Kingston to-day, that the scheme put into force in the year 1930 was formulated by the soldiers themselves. My hon. friend knows that.

Mr. SANDERSON: I mentioned that.

Mr. MANION: Yes, probably so.

Mr. SANDERSON: And I said all their suggestions were carried out.

Mr. MANION: I remember that the hon. member for Kingston made a proposal which, in the newspapers, was called the Ross scheme; the other was called the Power scheme, because it was introduced by the chairman of the committee. I remember clearly that some of my colleagues and I supported the scheme put forward by the hon. member for Kingston, and I have a clear recollection of being waited upon by a number of officers and soldiers who told me they were opposing anything like the Ross scheme, and that they adhered strictly and continually to the scheme which with the unanimous approval of the committee ultimately was put into effect.

I mention those facts because I believe it is well to keep them before us. In other words, the members of that committee, who came from all parties in the house, did everything they could at that time to put into force the scheme requested by the soldiers themselves as a result of their Regina convention. I was told at that time that their action was a result of the convention, and I believe I was correctly informed. Beyond that, it is well to remember that before this government came into power a vast amount of money had been spent for pension purposes. There had been an expenditure of about $47,500,000. Considering that immense amount of money, it is well to remember that the total national revenue of Canada before the year 1900 never amounted to $50,000,000. I mention that fact merely to indicate the immensity of the undertaking before us. It is not always as easy to deal with a question as one might believe. I think the hon. member for Muskoka has said, and the statement has been made this afternoon on several occasions, that 30,000 cases are awaiting attention. I am informed by the officers now sitting in front of the minister that the number is only 23,900, and that includes cases which are not at all serious. There is no use making the condition any worse than it really is. I am informed by one of the officers in front of me that a few days ago a soldier who had served only one day applied for a pension.

Although mentioning these facts, I am not trying to indicate that there is no room for improvement; we all know there is. Last year we made improvements, and they had been made before; but it seems to me we shall be making a mistake if from year to year we continue to change the act. I mention these facts as one who was a member of the old committee. I believe my hon. friend from South Perth served at that time, but I do not think the hon. member for Vancouver Centre was in the house then. Certainly all parties in the house put forth an endeavour to satisfy the soldiers to the greatest possible extent.

Mr. SANDERSON: I quite agree with my hon. friend.

Mr. MANION: Probably we went the absolute limit, because hon. members will recall that an election was at hand, and all parties were anxious to give satisfaction.

Mr. SANDERSON: I quite agree with the minister.

Mr. McGIBBON: I cannot let the minister get away with that. May I say that I pride myself in the accuracy of my statements. Although I have sat in this house a good many years I never had to withdraw any statement I had made. Irrespective of what the officials have told the minister, I must say that the figures I am about to give came to me a few days ago from the secretary of the Board of Pension Commissioners. Although I have given them to the committee already, I feel I must now repeat them. The number of applications on hand by the Board of Pension Commissioners on February 29, 1932, was 23,900. On the same date there were 2,650 applications before the pension tribunals, and before the appeal court there were 1,316. If those figures are incorrect I cannot be blamed; I took the time from their clock—

they gave it to me. Those figures were supplied by the Board of Pension Commissioners, and I submit, sir, that we should take as correct the figures we get from officials of this department. I know the gentlemen sitting in front of the minister dispute my figures, but with all due respect to them I think statistics supplied by the Board of Pension Commissioners are more reliable than statistics supplied by them.

Mr. MANION: I have asked the officers of the department now sitting in front of the minister, and they adhere to the figure of 23,900. They say, however, that there are a number of cases now being dealt with by the appeal boards which are not included in that figure.

Mr. MACKENZIE (Vancouver): Mr. Chairman, I do not regard this discussion as being in any way a waste of time. I think the joint intention of hon. members who have participated in this discussion is, if possible, to improve the administration of the pension scheme. One of the finest notes in the whole discussion is that not the slightest tinge of partisanship has been displayed by any hon. member who has spoken.

The hon. member for Kingston to-day gave a very able résumé of the history of the pension legislation in the Dominion of Canada. Many hon. members in this house will recall the first struggle which took place in the years 1919 and 1920 through the organized veterans' organizations to have important amendments made to the pension legislation. They will recall the work that was done by parliamentary committees sitting from year to year. Finally, as a result of recommendations made by a parliamentary committee a royal commission presided over by my hon. friend from Shelburne-Yarmouth was appointed. That commission went throughout Canada and heard evidence. As a result of their report legislation was passed to form the federal appeal board, and a system of soldiers' advocates. That system was not considered to operate as people thought it would, and in 1930, as the result of the work of a committee of that year, the present act was brought into effect.

The hon. member for Winnipeg South Centre said this afternoon that there were two flaws in the present administration. I agreed with him as far as he went. I am convinced of one thing, that the first defect in the present administration resulted from the amendment passed in 1931. That amendment was excellent, to a certain degree, and will, in time, operate to the benefit of ex-service men and the nation. The flaw in it, however, in my opinion is that it has placed upon the Board of Pension Commissioners a task which they cannot efficiently carry out. I am convinced, from personal observations, that to-day the pension board is trying to carry out a task which is really beyond its powers. The first remedy—and I am speaking in the most friendly way to the minister—if we are to keep in force the amendment of 1931, is if possible to enlarge the Board of Pension Commissioners so as not to have the system glutted at the outset.

The other evening I spoke about the pension tribunals, and so far as my observations have gone I must say these gentlemen have carried out their duties in a most exemplary manner. As far as the province of British Columbia is concerned—and this part of my remarks might possibly be political—I have nothing but commendation for the minister because of his choice of the two distinguished gentlemen he has appointed from our province to carry out the work of the pension tribunals. I do not believe that in the entire province you could find two gentlemen who are better qualified for carrying out this very important work. If the personnel throughout the rest of Canada is of the same standard it is of a very high order indeed.

This afternoon the hon. member for West Lambton (Mr. Gray), complained that the tribunals did not visit the small centres. My hon. friend from Muskoka-Ontario (Mr. McGibbon) suggested in a very constructive sense indeed that some of the powers for the secondary review might very well be bestowed on the county court judges. This, I think, is well worth consideration by the minister. For some fifteen or sixteen months we have trained twelve able officers of the pension tribunal. By their decisions, some of which have been upset by the appeal court, they must now have a very intimate knowledge of the Pension Act, and I believe they are thoroughly competent to deal impartially with any cases which may be brought before them, and that they will give the returned soldier the benefit of the doubt without imperilling in any appreciable degree the security of the treasury. I have always had the suspicion that the ultimate tribunal is inclined to be influenced by too careful consideration for the security of the treasury as against the merits of the case affecting the returned soldier.

I wish to object most strenuously to the system of commission counsel. I believe the officers of the pension tribunals can be de-

pended upon to render a fair and impartial verdict in regard to every service case that comes before them. Now the minister has got twelve men trained in this work, and he might very well allow each one to form a pension tribunal. This would give him twelve courts instead of four, which would go some distance towards meeting the point made by the hon. member for Muskoka-Ontario and the hon. member for West Lambton.

Mr. MacLAREN: We have six divisions now.

Mr. MACKENZIE (Vancouver): Then he could have two apiece for each court. That would enable the smaller centres to be visited, and the grievance in this respect would be immediately remedied.

My experience is that the main grievance of the ex-servicemen to-day is twofold. In the first instance, there is the delay in dealing with the case of the successful appellant which has been appealed from the pension tribunal to the appeal court of Ottawa. In the second place, there is the system of having a commission counsel lodge an appeal against the successful pension applicant. I think it absolutely contrary to all the accepted canons of justice and equity that an official under the direction of the Board of Pension Commissioners, the court of first instance, should himself direct the appeal from the decision of the gentlemen of the pension tribunal—who have seen the applicant and, as was said by an hon. member this afternoon, have studied his demeanour and have heard all the evidence—to a body down here who can only refer to the record of the case. As I say, I am convinced that even if your tribunals to-day were your ultimate court in regard to pensions, the treasury would not suffer to any appreciable degree. Then there is the delay here in Ottawa after the successful applicant has his appeal launched by the pension advocate. You have the machinery clogged throughout the three stages. I urge the minister to enlarge the personnel of the board as I have suggested, which he could do without incurring extra expense. I may tell him that they are far more sympathetic towards the cause of the returned soldier than they were nine or ten years ago. That may be due to the threat of appeal machinery hanging over their heads. If you enlarge the machinery of your court of first instance, if you make one member of the pension tribunal a quorum to hear appeals in the country, and if you take away from the commission counsel the power of launching appeals in the appeal court, I am convinced that the thirty thousand cases to which the hon. member for Muskoka-Ontario referred will be disposed of within eight or ten months, with resultant satisfaction to the many ex-servicemen throughout the dominion.

Mr. GARDINER: Has the minister any information as to whether the Board of Pension Commissioners in the past have used detective agencies for the purpose of securing information about applicants for pensions prior to the time of their enlistment?

Mr. MacLAREN: I have no knowledge on that point. I do not know that I thoroughly follow what the hon. member is asking.

Mr. MACKENZIE (Vancouver): Perhaps the minister will allow me to answer. There have always been what are known as social service investigators, who do make investigations with respect to the applicant's family history.

Mr. GARDINER: Has it been the practice of the pension board to employ detective agencies for the purpose of obtaining information with regard to the applicant for a pension prior to the time of his enlistment?

Mr. MacLAREN: I cannot say as to employing detective agencies, but I can quite understand the pension board would investigate the early history of an applicant for pension whenever they thought it necessary. The early medical history might have a very direct bearing upon the man's disability.

Mr. GARDINER: Would it be necessary, for instance, in the case of a man claiming a pension for an injured arm or hand to make such an investigation? I can quite understand that in cases of certain diseases such an investigation might be necessary, but not for a physical injury.

Mr. MacLAREN: I would say it might be necessary to ascertain whether the loss occurred previous to enlistment or not.

Mr. McGIBBON: The man could not enlist if he had lost an arm or a hand.

Mr. MacLAREN: Presumably a man might enlist although he had one eye or imperfect sight. I can understand that in some cases it is necessary to investigate a man's condition previous to enlistment.

Mr. McGIBBON: Surely, Mr. Chairman, the minister must have a lapse of memory. A layman's opinion with respect to a man's sight previous to enlistment would be absolutely worthless.

Mr. MacLAREN: That is not at all what I had reference to, Mr. Chairman. I say it may be necessary to investigate a man's past medical history.

Mr. GARDINER: I had a case brought to my attention the other day which seemed to me to be rather extravagant. The Thiel Detective Agency of Montreal was engaged to find out something about the applicant prior to enlistment. In this man's file there is a report signed by T. A. Lawson, acting general manager of the Thiel Detective Agency. The person whose history was to be investigated, the man who was applying for pension, had an injured left hand, and the board had supplied him with certain casings to put over that hand. The investigator began his work on April 2, 1924. He left Ottawa, went to Toronto and then to Collingwood, and came back to Ottawa again. On May 14 he went to Regina, then to Moose Jaw, then to Caron, back to Moose Jaw, again to Regina, then to Prince Albert, to Shell Brook, then back to Moose Jaw, to Mossbank, then to Cranbrook, British Columbia, to Fernie and finally back to Ottawa, arriving here on June 6. When the matter was brought to my attention it did seem to me that the Board of Pension Commissioners must have been pretty hard up to find an excuse to avoid paying a pension to a man whose hand was injured through war service.

Mr. MacLAREN: I might suggest that the proper course is to furnish me with the particulars so that the case may be looked into. Each case should be explored thoroughly in order to see what can be said on each side.

Mr. GARDINER: I suppose this file will be available to the minister if I discuss the matter with him some time?

Mr. MacLAREN: Certainly.

Mr. NEILL: Since the matter has been introduced I should like to say a word or two on this question of investigators. I have no objection to the ordinary investigator who goes around and asks a man about his occupation, his ability to work, or his income, or who asks the man's employer these questions, but I do not like the way some of these men do their work. As my hon. friend from Acadia has mentioned, the department does not hesitate to spend quite large sums of money in investigations of this kind, and I know of one case in which an investigation was carried out in the old country and brought forth evidence trying to show that a certain injury had been caused eleven or twelve years before the time alleged.

I do object to the procedure followed in one case which came to my knowledge. The question largely turned upon whether or not the man was deaf previous to a certain occasion, and one of these industrial investigators, or whatever they call them, was sent around to make an inquiry. He did not go near the man; he did not tell the man he was making this investigation, nor did he tell the people whom he interviewed that his inquiry was of vital importance to the man in question. I will not say he snooped around, although that word was used; I suppose he was carrying out his duties to the best of his ability. He would go to a little town; he would go to the grocery store and ask the proprietor, "Do you know John Smith"? The answer would be yes, and then he would ask, "Is he deaf"? The storekeeper would answer, "I do not know; I never noticed it. I do not think so." That would go into the record, and that was the procedure followed right along. The investigator did not tell the persons he interviewed how important the matter was to the soldier; the soldier himself had no opportunity of hearing this evidence, but when the matter came up for decision that man lost his case largely because there were several foolscap pages of evidence of a similar kind. I was told that if I were given an opportunity of seeing this damning evidence I would not have been dissatisfied with the decision of the court, but I put this to the minister: If this man had been accused of a crime would evidence obtained in that way have been used against him? Of course it would not. The people would have been sworn and they would have been confronted with the accused. But because he was a soldier asking for a pension, that sort of evidence was accepted. Surely that is carrying this investigating business too far. I objected at the time and I still object. If we are to have these courts, with two government counsel against one counsel for the soldier, surely the inquiry should be conducted in a legal way and evidence which is not given under oath should not be accepted.

Mr. MacLAREN: May I correct my hon. friend in his statement that two government counsel are employed as against one for the soldier? That statement has been made before, but it is not so. Two government counsel do not appear as against one advocate for the soldier.

Mr. NEILL: There are never two counsel for the government?

Mr. MacLAREN: Not in the same case.

Mr. NEILL: Possibly I am wrong, but in any case that is a detail which has very little bearing on the matter.

Mr. MACKENZIE (Vancouver): In the beginning there were two counsel, for purposes of training.

Mr. NEILL: I can give the minister particulars of the case, if he wishes them.

Mr. McGIBBON: I am glad to hear the minister say he would like particulars of these furnished to him, but I ask him now what good it will do. I have a case that was turned down by the court of appeal; I think judgment was signed by Judge Hyndman. The man has a cardiac condition, with rheumatism and arthritis, and he is absolutely incapable of doing anything to-day. It was absolutely proved that his condition was due to war service, but in their investigations they got a positive reaction to a Kahn test for syphilis, and on that ground Judge Hyndman signed judgment depriving this man of his pension. That test is not specific; any medical man knows it is not definite. You will get it in connection with many other diseases. This soldier was a respectable man; he absolutely denied ever having had that disease, but even if that had been true it could have had nothing to do with his disability. The judgment was absolutely absurd and ridiculous to any man with any knowledge of medicine, and through that judgment this man lost his pension. I do not hesitate to say that I could submit that evidence to one hundred medical men, and that one hundred per cent of them would say he was unjustly deprived of his pension, but what recourse has he? If I give the minister the evidence will he say that he will correct this injustice?

Mr. MacLAREN: Would you repeat your question?

Mr. McGIBBON: If I submit the evidence to the minister will he correct this injustice?

Mr. MacLAREN: This gives me an opportunity to say a word to many hon. members who perhaps do not fully understand the working of these courts. I have nothing to do with the pension board; it is my duty to allow that board to form its own judgments without interference, especially as the minister could not possibly know all the circumstances of the case. That is also true with regard to the tribunal and the appeal court. In a judicial way these bodies are independent of the minister, as they should be, and so I take that attitude. What I said to my hon. friend the leader of the Progressive party was that I should lay the files and the information before him. It does not follow that I am going to express any opinion on any particular case, but I will assist any hon. member to the best of my ability.

Mr. McGIBBON: I think the minister is quite right, and I never thought anything else, but his remark might have caused some misunderstanding. The point I am trying to make is this: We have a final court of appeal which has given a judgment which is absolutely absurd and which has deprived a man of what is rightfully his. What recourse is left to that man? He won his case before the tribunal when he proved that his disability was due to the war. That was accepted by the court of appeal, but they deprived him of any benefits because in performing a routine test they obtained a positive reaction for syphilis—a reaction on a test which is not specific and final and which is obtained in many other diseases. And the man absolutely and positively denied having this particular infection. There is a case of rank injustice. The judgment was signed by Judge Hyndman of the court of appeal. Now the man is down and out and cannot earn a dollar; he is a cripple.

Mr. MACKENZIE (Vancouver): Under the meritorious clause, how many cases have been submitted to the Board of Pension Commissioners since the amendments of 1930, and in how many of them has decision been rendered?

Mr. MacLAREN: I am afraid I have not the numbers here; I believe I stated that there were thirty-seven applications and one hearing.

Mr. MACKENZIE (Vancouver): As a matter of fact, there were forty-seven applications, roughly speaking, and so far only in one case has decision been given. Surely that is an absolute outrage after eighteen months; in that time decision should have been rendered one way or the other. I know of applications that have been made from all over Canada to the Board of Pension Commissioners, and only one judgment has so far been rendered under this clause. I cannot conceive the reason for this delay. These are the most urgent cases of all, as a rule.

Mr. COOTE: I wish to bring to the attention of the minister a complaint made to me by several applicants for pension who have been ordered to report to Belcher hospital for examination. In one instance the applicant

had a bad heart. He was engaged in manual labour, and when he complained he was taken to Belcher hospital, put to bed and taken care of for about a month before the examination was made. If this is the practice that is to be carried out, then I submit that these men have very just grounds for complaint. It is obvious that in most cases a heart affection improves after the patient has been in bed for some time under proper care, and if the returned soldier is to be examined for heart trouble he should be examined the moment he comes in from the country, for that is the time when his heart is bothering him. I know nothing about medicine but I do submit in all fairness that that is the proper time to have the medical examination. After the man has been in bed a month under proper treatment it is highly probable that the doctors will report his heart as normal; then he goes back to work and after a short interval his heart begins to bother him again and interferes with his work. This is one practice which the minister could rectify; he could see to it that when men are sent for examination the examination is made at once. The doctors should see the man under the conditions in which he has to work ordinarily. Will the minister undertake to have the present practice changed?

Mr. MacLAREN: I should like to have the particulars of the case. I shall have to make inquiries first to see whether that is actually the case.

Mr. COOTE: If it is, will the minister see that the necessary change is made?

Mr. MacLAREN: I shall be pleased to look into the matter.

Mr. MACKENZIE (Vancouver): Will the minister also look into the question I have raised in regard to meritorious cases?

Mr. MacLAREN: After all, what is a meritorious case? It is one who is not eligible for pension—

Mr. MACKENZIE (Vancouver): Under the act.

Mr. MacLAREN: Under the act, yes; one who is not eligible under the act but who has done something meritorious or in whose history there is something that warrants the authorities in going outside actual eligibility in order to meet the case. That is on the one hand; on the other there are a great many cases that are waiting, cases that come under the act and that should be taken up first. I understand that the Board of Pension Commissioners takes up first those cases that are pressing; as far as possible they are heard in the order of priority of urgency. There are other cases that come before the meritorious cases, because the latter have no entitlement at the outset.

Mr. COOTE: I did not get the minister's reply to the point I raised. I can assure him that there are several men who have told me that what I have stated has actually taken place so far as they are concerned. When I have an opportunity I shall look up the files, because it can be easily proved. If the minister will assure me that, in the event of his finding what I have represented to be correct, he will put a stop to the present practice, I shall appreciate it.

Mr. MacLAREN: If the hon. member will let me have the names, I shall have the matter promptly investigated and let him know. I think, however, it is fair to hear all the facts first.

Mr. SPEAKMAN: I can give the minister a history of a case that occurred long before his time. This was a man in my own neighbourhood, a young chap who came back from overseas with some weakness that caused him to have fainting fits when under heavy work, so that he could not carry on his ordinary job. He looked as fit as a fiddle when he was resting, but he could not do any work; his heart bothered him. I knew nothing about his heart, but at my solicitation he was sent to hospital three times for examination. The facts as I am giving them were confirmed by the doctor. The man was put under observation in a state of absolute quietude, and he remained in bed for some time. While in bed his heart behaved normally—it always did when it was in bed. I complained; I said that, though I was a layman, I did not think it was common sense to examine him under such conditions. I suggested that he should be examined under conditions in which he usually showed his symptoms. Finally, in order to get rid of me, thinking me a nuisance, they said "We will give you authority to have him examined under whatever conditions you suggest." I had him put through a physical test for two or three minutes and immediately his heart action was affected. That was what they said. I can assure the minister of this case because I accompanied the man on each occasion in order that I could verify what he said.

Before six o'clock the minister made three statements, or rather one statement that might be divided into three parts. First, he commented on the difference of opinion among

the members and spoke of the consequent difficulty of arriving at any conclusion from what they said. My own observation was that there was unusual unanimity on the part of hon. members as to the best method to be tested out. The minister then said, quite correctly, that the situation which existed was no fault of the different boards, the Board of Pension Commissioners, or the tribunals, or the appeal court, but was the fault of the committee of which I had been a member as well as himself, we had imposed on these bodies an impossible task which we expected them to perform. He said we had placed them in such a position that there was bound to be an accumulation of work, and I heartily agreed with him. But unfortunately the minister concluded with the statement that the situation was not so bad, that the boards were keeping up with their work fairly well, and that there was not so much cause for alarm. May I state what my experience has been—not my opinion, which perhaps is not worth as much as the minister's, considering the position he occupies; he is more closely in touch with affairs than I am, although I have had a good deal to do with the matter. I would suggest that in all that has been said this afternoon and evening, we have been endeavouring to rectify the error which the committee made. We acknowledge we were wrong. Some of us may have disagreed somewhat in the committee itself, but as one of those who agreed to a unanimous report, I am prepared—and I suggest there are others—to rectify a mistake which the minister says we made, in order to take these men away from the impossible position in which the minister suggests they are placed, and to take from them that impossible load which the minister indicates we have placed upon their shoulders.

Mr. COOTE: I should like to ask the minister whether Belcher hospital in Calgary is owned by the government or whether it is leased; and if it is leased, when the lease expires and what chance there is of having this hospital moved to a better location? It is one of the worst locations they could have got in Calgary. It is located on Eighth avenue, the main business street of the city, with street cars running in front of it and a switching track up the lane behind it. I understand it was formerly used for a warehouse and it is a place illsuited for a hospital. If this building is simply under lease by the government, the hospital should be moved to some more suitable location as soon as the lease expires.

[Mr. Speakman.]

Mr. MacLAREN: The lease has something like six years still to run.

Mr. COOTE: What rental is being paid for the building?

Mr. MacLAREN: I do not recall the rental, but it is quite high. It has to run something like six or seven years.

Mr. IRVINE: Some years ago the Alberta legislature decided to offer government house for sale. There were no offers to buy the house, whereupon it was restored as the residence of the lieutenant-governor. I suggest it would be an excellent use of government house to make out of it a hospital for returned soldiers. I shall ask the minister to keep that in mind for the future.

Mr. COOTE: As a final word I should like to say that it would be much appreciated by the returned soldiers in Alberta who have to use a hospital, if the government would see fit to have that hospital removed to a more suitable location.

Mr. STITT (Selkirk): I regret I have not been present during the entire discussion on this matter, but I should like to make a few observations regarding the operation of the Pension Act. I understand this legislation was brought into existence with the unanimous assent of the house, and that it is not looked upon as a party measure. Nevertheless, almost every one of us realizes that there is a great defect in administration and I want to point out one defect which I think exists in the law and should be remedied. I do not wish to coin a startling phrase, but I really believe the returned soldier, who is an applicant for a pension, is under our legislation treated in a worse way than a man who is charged in our courts with an ordinary crime, and I think I can prove what I say. When a man is charged in our courts with a crime and the court of first instance renders judgment in his favour, a judgment of not guilty, the crown has no appeal; the only appeal it has is against sentence. What is the situation that we find under the pension law? I understand the cardinal principle in the act was that a returned man, an applicant for pension, ought to have the benefit of the doubt; that is one principle that has been enshrined in our legislation. What happens? By law he has in the first instance the benefit of the doubt. He goes before the tribunal and a declaratory judgment is passed in his favour. That is, his case passes altogether from the region of doubt and partakes of the nature of a positive judgment. Then what happens? The crown appeals the case. After

that what is the mental attitude of a returned man towards his country? A competent tribunal has passed a declaratory judgment that he is entitled to a pension and the court of appeal wipes out that judgment altogether and claims that he is not so entitled. Therefore when I make the statement that under our present legislation an applicant for pension is treated less fairly than a man charged with a crime, I think it goes without argument that such is the case.

I believe the legislation might be remedied in this way: I understand the returned men asked for this court of appeal in order to protect their rights. This country, once a judgment is passed by the tribunal in favour of a pensioner, ought to stand by that decision, and the right of the crown to appeal should be wiped out of the statute.

I should like to refer to the matter of congestion which exists at present in regard to the hearing of applications for pension. If that congestion is not removed before long, it is certainly going to be disastrous to this parliament and government at the next election. I know the returned men are becoming absolutely dissatisfied; they are wondering what is happening. I should like to make this suggestion by way of an improvement in the existing legislation. Recently we had a debate in the house about the salaries paid to our judges, and I think it was indicated that we have in our population of 10,000,000, more judges than they have in Great Britain and Ireland with a population of 45,000,000. I am not in favour of reducing judges' salaries, but that is another matter; I am in favour of giving the judges more work. I would suggest that the county court judges, in order to get this congestion cleared up, might have equal power with the pension tribunal and for that matter we might give to the service of the returned soldier applicants for pension, two weeks of the long vacation and possibly the first week of the ensuing court session. I make these observations in all sincerity, as a returned soldier, and also at the suggestion of the combined returned soldiers' organizations of the constituency which I have the honour to represent.

Mr. McGIBBON: I should like to ask the minister whether he has decided to take his tubercular cases away from Calydor sanatorium?

Mr. MacLAREN: The answer is no, I have not decided. I think there will not be many going.

Mr. McGIBBON: Then that compels me to make a few observations, Mr. Chairman, and I predicate them upon this, that parliament and the government should keep faith. When they cease to do that, we are in a deplorable condition. That necessitates my going back for about ten or twelve years when a parliamentary committee of this house on pensions requested the government of the day to make an agreement with Calydor sanatorium in the district of Muskoka for taking care of the tubercular patients who are wards of the government. The committee made that request because this institution is one of the best in Canada or on the continent of America, and because they were not able to use it to the extent that they wanted to use it. At that time there were many thousands of patients nominally listed as tubercular but in whose case the final diagnosis had not been made, and consequently they were not drawing a pension. The object of the request was that this institution should be used to make a final diagnosis and clear up these cases in order that they might be properly treated and that those who were illegally drawing full-time pensions should not be allowed to draw them. The people of that institution agreed to the request of the government, and they put up three dollars to every one that the government of the day put up. They increased their staff and overhead expenses, and they have never got the patients to which they were entitled according to the agreement. As a result the overhead and cost of maintenance for the patients was increased even for civilians, and to-day that institution is in financial distress. Probably I should not say that but it is a fact, due to the agreement which they made with the government of this country. They lived up to the letter and spirit of the agreement, but the country did not. The institution never got the patients that they were legitimately entitled to expect, although I do not believe that any number was definitely specified in the agreement.

I am informed by the medical superintendent, Mr. Chairman, that the other day this institution got a letter from the department that it was going to close the whole thing out, going to scrap that institution and leave it with that increased staff and increased overhead expenses. The surprising thing to me is this, that when I spoke to the minister about it he did not know anything about it although the letter that was received by the institution said that the matter was finally settled. Now the question I want to ask the

minister is this: Who is running his department? Are the officials going to decide and settle matters of policy and give final judgment without the minister knowing anything about it? If I were minister and an official did that for me he would lose his job the next morning. It is a most humiliating position for officials in a department to decide and settle matters of policy and notify those concerned that that is the end of it without the minister himself knowing anything about it. Over and above that, the point I want to impress on the committee is this, that parliament and the government of the day solicited the agreement with that institution; it was recommended by the pension committee of that day, and the government of the day made the agreement. The institution lived up to the spirit and the letter of the agreement, and as a consequence they have suffered serious financial loss. What I want to ask the minister is this: Is he going to repudiate the spirit of that agreement?

Mr. MacLAREN: So far as that question goes, I do not propose to answer any question suggesting that the minister is going to repudiate anything. I have further to state that my hon. friend has not stated the case correctly. Without delaying the committee I wish to state that I did not make that statement to the hon. member for Muskoka-Ontario. I did know about the matter, and it was not terminated. Conditions were proposed to this sanatorium on the same basis as all the other sanatoria in Canada. The term of the agreement has expired. Further, I am still looking into the matter to see if there is any obligation on the department in honour, if not according to the letter of the law.

Mr. McGIBBON: I would ask the minister to be a little more definite and say wherein I mistated the case.

Mr. MacLAREN: It is very easy. The member stated that I did not know that notice had been sent. I did know it. It was proposed that they continue on the same basis as other sanatoria.

Mr. McGIBBON: All I have to say, and I will apologize if I am wrong, is that when I went in to discuss it with the minister he did not know anything about it.

Mr. MacLAREN: Excuse me, I did.

Mr. McGIBBON: The minister said he did not.

Mr. MacLAREN: I must ask the hon. member to withdraw that statement.

[Mr. McGibbon.]

Mr. McGIBBON: I am willing to withdraw it if I am wrong, but I had to produce a letter to the minister to let him know what I was talking about. If he knew about it, I would not have had to do that.

Item agreed to.

Care of patients and medical examination respecting pension, $2,200,000.

Mr. MACKENZIE (Vancouver): May I ask the minister to explain the reduction of $800,000? According to the minister's annual report there were 12,077 admitted to hospital last year as against 9,941 in 1929-30, and inpatient treatment was given to 15,519 as against 12,939 in 1929-30. So that the medical population is increasing all the time in these hospitals. How is this decrease justified?

Mr. MacLAREN: The three million dollars which was voted last year was in excess of the requirements. There was spent last year $2,275,000, which left a balance of $725,000, so that actually it means that we are getting along with $75,000 less this year. I do not know whether that will cover the requirements.

Mr. MACKENZIE (Vancouver): I understand.

Item agreed to.

Salaries — administrative, $1,333,000; insurance, $35,000; hospitals and clinics, $1,567,000.

Mr. MACKENZIE (Vancouver): Do the same explanations attach to the reductions in this vote?

Mr. MacLAREN: The ten per cent is a factor.

Mr. MACKENZIE (Vancouver): In connection with the hospitals and clinics?

Mr. MacLAREN: Yes, there has been some reduction in staff. The decrease is made up of a reduction in staff, and the ten per cent cut.

Mr. COOTE: How much of this item is for salaries? The item does not make it clear.

Mr. MacLAREN: It is entirely for salaries.

Mr. COOTE: The second section of the item is an expenditure for insurance; is that for salaries?

Mr. MacLAREN: That is in connection with the administration of life insurance on the disabled men.

Item agreed to.

Compensation (pay and allowances), $1,950,000.

Mr. SPEAKMAN: Was the entire amount of last year's vote spent? I notice there is a reduction of $800,000, and I was wondering if the entire amount had been expended. If so how could a reduction take place?

Mr. MacLAREN: The sum of $875,000 was unexpended.

Item agreed to.

Unemployment relief, $1,250,000.

Mr. VENIOT: Who are eligible under that vote?

Mr. MacLAREN: Pensioners who are in need of help, bearing in mind the pensions they are receiving and other means at their disposal. The other day the vote was increased to the extent of $875,000. Last year the vote was $1,250,000, but in the supplementary estimates of two or three days ago an increase of $875,000 was made. During the last year relief was administered during the summer months, a procedure which is not customary. Then, there were more applicants, and the municipalities now direct the men to the department rather than find work for them locally. For those reasons there are more calls on the resources of the department.

Mr. MACKENZIE (Vancouver): Is a pensioner eligible, no matter what the assessment of his pension may be?

Mr. MacLAREN: He is, if it is a small assessment. If it is sufficiently high he does not receive money from this vote.

Mr. MACKENZIE (Vancouver): Is there a fixed percentage?

Mr. MacLAREN: No, he could not depend on the pension. If he received a full pension he would not come under this vote, because his pension would be sufficient. If, however, he received only a small pension his receipts might be brought up to a certain figure.

Mr. VENIOT: What relief can be given to a returned soldier who has applied for a pension, whose case is not decided and who is unable to work or to find work? I understand that no relief is given in such cases, and am wondering if it is not possible to make provision for them. I have in mind two instances where applications have been brought before the pensions board, and in both cases not only are they unable to find work, but if they could find it they would not be able to take it because of their incapacity. These men are literally at the mercy of their friends and neighbours. Both are married, and one has a family of six children. Surely in cases of that kind something should be done, although there may be no authority under the act.

Mr. MacLAREN: The cases described by my hon. friend would come under the civil unemployment relief, but not under the present vote.

Mr. VENIOT: When there is no work for them, what must they do? Are they to starve in the meantime? So far as I know there has been no direct relief provided. There are numerous cases throughout the country such as I have described, although I cite only two from my own county. Perhaps the minister would consult with his officials and see if during the winter months some relief could be afforded. Fifteen or twenty dollars a month would be very helpful in the winter time.

Mr. GERSHAW: Could the minister tell us if this money is actually being spent? I ask the question because I have received communications from two merchants to the effect that these moneys have not gone forward to the needy people.

Mr. MacLAREN: The relief is not tendered in cash, but orders for groceries and coal are given. Cheques are sent to householders to pay rent bills.

Mr. GERSHAW: Have those cheques been going forward? The merchants have been objecting because of the delay.

Mr. MacLAREN: My hon. friend will understand that those payments had to await passage of the supplementary vote for $875,000, and the royal assent, which was not obtained until a short time later. Cheques have gone out.

Mr. McLEAN: How many in the three maritime provinces received relief under this vote?

Mr. MacLAREN: If the hon. member wishes I shall send that information to him; I do not have it before me.

Mr. ROSS: Will the back amounts be paid in cases where assistance has not been given since January? As I understand it, the ex-service man cannot get this relief unless his pension is low. In addition to the pension he receives he is allowed about $4 per week until the sum he receives is brought up to about $60 per month. I understand since January these payments have not been made.

Mr. MacLAREN: I have explained that they were not made because we had not the money with which to make them.

Mr. ROSS: Will back amounts be paid?

Mr. MacLAREN: Absolutely.

Item agreed to.

Operating expenses and working capital, $400,000.

Mr. MACKENZIE (Vancouver): What is the explanation of this item?

Mr. MacLAREN: Office expenses, telegrams, telephones and so on.

Item agreed to.

Sheltered employment, $70,000.

Mr. HEAPS: What is this item for?

Mr. MacLAREN: We have workshops at Halifax, Montreal, Toronto and Hamilton, where disabled men are employed at making and repairing furniture. This represents the sum necessary to make up the deficit.

Mr. HEAPS: There has been a good deal of complaint in Winnipeg at the department not reopening the workshop that was burnt down some time ago. The disabled men who formerly worked there are in many instances depending on municipal relief. Can the minister hold out any hope of reopening that workshop?

Mr. MacLAREN: I would not wish to encourage my hon. friend. The building was destroyed. About twenty-five men were engaged there. As a matter of fact these factories have passed their original objective, which was to train the men, not to give them employment for the remainder of their active days. But these factories have been continued, although there is some discontent among those for whom we cannot find room in them. While these factories do give complete relief to the men who are able to get into them, still I do not think it would be in the general interest to acquire more factories.

Mr. HEAPS: How many are employed in the four shops still in existence?

Mr. MacLAREN: In all, one hundred and ninety.

Mr. HEAPS: So it costs $70,000 a year to look after those one hundred and ninety men?

Mr. MacLAREN: That is right.

Mr. HEAPS: Would it not be better to pay those men a fairly substantial sum and do away with the factories?

Mr. MacLAREN: They are earning their living in those factories. This is a better way of helping them than the method suggested by my hon. friend.

[Mr. MacLaren.]

Mr. HEAPS: Would not the same argument apply equally as well to those returned men in Winnipeg who to-day are doing practically nothing on account of the shop having been burned down?

Item agreed to.

Grant to Last Post Fund, $35,000.

Mr. GRAY: I am heartily in sympathy with the minister in his endeavour to reduce the estimates wherever possible, but it does seem to me that in this particular instance no reduction should be made. The amount last year was $40,000. The minister is reducing it this year by $5,000. There is no more worthy item in the estimates than the grant to the Last Post Fund. I think the minister is well aware that it is becoming increasingly difficult for the local organizations to raise money for this particular fund. I would urge that he increase the vote to the original amount of last year. I am sure every hon. member would be heartily in accord with a motion to this effect.

Some hon. MEMBERS: Hear, hear.

Mr. MacLAREN: I agree the fund is for a very worthy purpose, and I will see if anything can be done on the lines suggested by my hon. friend.

Item agreed to.

Pension tribunal, $65,700.

Mr. MacLEAN: There seems to be considerable dissatisfaction, Mr. Chairman, in the working of this tribunal. After the pension tribunal has met the applicant personally, gone into all the details of his case, and decided in his favour, I think it is most unfair that an appeal should be taken by an official of the department, with the result that in many cases the successful applicant before the pension tribunal is deprived of his pension. It would be a good deal better not to grant a pension at all than to inflict this hardship on the successful applicant. I think this should be looked into, and I should like to hear what the minister has to say on the subject.

The CHAIRMAN (Mr. Tummon): All that has been discussed on the previous item.

Item agreed to.

War veterans' allowances, $1,300,000.

Mr. NEILL: As this represents a cut of twenty per cent, I hope it does not mean there will be any reduction in the purposes of the grant. This is one form of soldiers' relief that has worked well. Perhaps as times improve we might like to see the act extended,

but up to the present the administration has been satisfactorily conducted. The officials seem to be willing and anxious to do their best for our war veterans and the consideration of cases is kept well up to date, and I do hope this cut does not mean a permanent reduction, because these men are dropping in, so to speak, all the time as they become of age. I hope the minister can give some explanation as to surplus funds last year that will reassure the men in that regard.

Mr. MacLAREN: This item is an unavoidable expenditure. If the men are qualified I presume they will be paid no matter what may be the estimate. This is one of the most satisfactory parts of our pension work.

Mr. HEAPS: How much was spent last year?

Mr. MacLAREN: We have not figures for the whole year, but for the ten-month period we spent $839,000 of the $1,600,000 voted.

Mr. MACKENZIE (Vancouver): May I point out that up to September 1, 1931, when the legislation had been in force for one year, the number of those receiving allowances was 3,049, representing an expenditure of $990,084. That was the first year.

Mr. HEAPS: Then it is quite possible that the amount provided in the estimates will be sufficient for the ensuing year.

Mr. MACKENZIE (Vancouver): I should like to quote just one other paragraph from the annual report of the department:

> The work is up to date in so far that on December 1, 1931, 8,490 applications had been received by the committee, of which 8,375 had been finally disposed of; the remaining 115 having been deferred for further information or awaiting consideration.

I think this is an example to the three courts we have dealing with applications for pension in Canada.

Mr. MacLAREN: I am very glad these officers are receiving a little recognition, because really this committee is doing a very good work.

Item agreed to.

National Health — quarantine: salaries and contingencies of organized districts, public health in other districts, Tracadie and Bentinck Island lazarettoes and leprosy generally, $192,000.

Mr. VENIOT: I was speaking to the minister the other day with regard to a rumor that the lazaretto at Tracadie might be closed and the lepers removed to the quarantine station in Quebec. At that time the minister assured me that nothing had been heard of it in the department for at least the last year and a half. I should like to know if the minister is in a position to-night to say that there will be no removal of the lepers from Tracadie to the quarantine station in Quebec; I should like to get it on record.

Mr. MacLAREN: I am in a position to say that the matter is not under consideration at all, nor is such action contemplated. Of course I cannot say it never will happen, but I have no intention of making any change at present.

Item agreed to.

National Health—immigration medical inspection, $163,200.

Mr. HEAPS: How much was spent under this vote last year?

Mr. MacLAREN: For the ten months we spent $180,000.

Mr. HEAPS: Can the minister tell us how many doctors are engaged in this work abroad?

Mr. MacLAREN: There are twelve doctors overseas; last year the number was reduced by four or five.

Mr. COOTE: Are their salaries being reduced?

Mr. MacLAREN: The reduction applies to everyone.

Mr. VENIOT: With the policy of the government a very definite restriction in immigration, why is this amount necessary?

Mr. MacLAREN: It is necessary to have a certain number of medical inspectors. We have two in London, two in Liverpool, two in Glasgow, one in Belfast, one in Paris, one in Hamburg and two in Antwerp. That is the minimum.

Mr. VENIOT: I thought we were not permitting any immigration from the continent. If that is so, why keep medical inspectors over there?

Mr. MacLAREN: I am acting in conjunction with the Minister of Immigration, and I accept his advice as to the number of doctors he thinks should be there.

Mr. VENIOT: Then when the immigration estimates are up perhaps the minister will give us that information.

Item agreed to.

Grant to the Canadian National Institute for the Blind, $18,000.

Mr. COOTE: I should like to know why this item is being reduced by $2,000.

Mr. MacLAREN: It is the ten per cent reduction.

Mr. COOTE: Is it the intention to pay the blind a smaller pension this year? This is about the last place we should start to curtail our expenditures.

Mr. MacLAREN: If the hon. member will look over the grants he will find them all treated in the same way.

Mr. COOTE: I do not think these blind people ever received sufficient pension, and I protest against the action of the government in making this reduction.

Mr. MacLAREN: This is not for pensions to the blind. It is a grant.

Mr. HEENAN: Surely the government are not going to cut the blind as well as those who can see. They are going a long way when they reduce by $2,000 the grant to the Institute for the Blind. I had thought that before now they would have revised the old age pension scheme so as to take care of the blind under that provision. Had a real government been returned to power, the blind would have been receiving assistance to-day under the old age pensions legislation. Surely this is one place where the government should have refrained from putting their knife into the allowance made to suffering humanity—an allowance of $20,000. The matter is worthy of reconsideration.

Mr. KENNEDY (Winnipeg): In connection with this grant to the institute for the blind, may I say that during the last campaign I was asked whether I was in favour of pensions for the blind, and I said I was. Probably, therefore, it would be consistent for me now to repeat that statement here. I am not going to make a speech, but I wish to call the matter to the attention of the minister. It seems to me that if this parliament can legislate on pensions because of the disability of age, by the same token they have power to pass legislation to meet the disability of lack of sight. The age set under the Old Age Pension Act is three score years and ten. That age is fixed because it has been found that after seventy years of age a person who is without means of supporting himself is helpless. The basis of the pension is the physical inability of the individual to make his way in this world. Age is one disability and lack of sight is another, and if blindness comes before the age of seventy it is a disability that prevents the individual from earning his living. I urge that upon the minister. The hon. member for Kenora-Rainy River suggested that if a real government were in power they might do something about it. In reply to the hon. gentleman I would point out that in 1926, I placed on the order paper—and this was when a government which was supposed to be a real government was in power—this question:

Is it the intention of the federal government to introduce legislation to provide pensions for the blind?

The answer I received, which is of record, as given by the then Prime Minister, now leader of the opposition (Mr. Mackenzie King), was:

The matter of pensions for the blind is not enumerated under the provisions in the British North America Act applying exclusively to the dominion.

That was the stand taken by the party supported by the hon. member. But apart altogether from that, I think the principle is sound, and I hope to see the day when, whether it be by an amendment to the old age pensions legislation, or by a separate act, legislation will be introduced in this house making the matter of pensions for the blind a federal burden to be dealt with by Canada as a whole, so that those afflicted people will get similar treatment throughout the dominion.

Mr. GARLAND (Bow River): Will the minister give some details of the expenditures under this item? What is the work done by the Canadian National Institute for the Blind? How many persons do they care for?

Mr. MacLAREN: The institute was formed by the combination of existing organizations in Canada and it works in close affiliation with similar local bodies. The total expenses incurred exceed $200,000 per annum, which is raised from grants from the federal, provincial and municipal authorities, and from private subscriptions. Industrial establishments are maintained at Halifax, Ottawa, Toronto and Winnipeg. There was authorized in 1919 payment of an annual grant of $10,000 for a period of five years.

Mr. GARLAND (Bow River): I doubt whether during the last nine years there has been a single session when some hon. gentleman somewhere in the house has not asked that this item be increased rather than decreased. The necessity for caring for unfortunate people so afflicted touches a keen chord of human sympathy, and I think this

should be one of the last departments to be affected, if ever it is affected, by the so-called economy program of the government. I join with those who have preceded me in protesting against this reduction. There are one or two other items in which reductions are equally inexcusable, but this one certainly will not receive the approval of the Canadian public. Any reduction in a vote intended to take care of acute human suffering or of a disability of this type will be protested against all over Canada.

Mr. SPEAKMAN: I wish to say one word in support of the attitude that has been taken towards this reduction. In protesting against it I would point out something that perhaps is not apparent to everyone. At this time, during a year when able-bodied men, in full possession of all their faculties, find it unusually difficult to secure employment to support themselves and their families, it becomes doubly and trebly difficult for people who are afflicted with any major disability, and particularly blindness, to obtain work. These people are placed at a peculiar disadvantage at this time when competition for any position at all is so keen. All positions to-day are eagerly sought by men in full possession of all their faculties, and under these circumstances the condition of the blind becomes very much accentuated. I would protest against the reduction. I think that public opinion, to say nothing of the opinion in the house on all sides, would certainly have supported a substantial increase in such an item rather than a decrease. May I also support the suggestion of the hon. member for Winnipeg South Centre, a suggestion which has been discussed in this house from time to time but never dealt with; I refer to the question of pensions for the blind. The blind form a class set apart from all others; their situation is so peculiar that pensions granted to them would not arouse jealousy among other people. It would not establish a precedent whereby others suffering from other infirmities might come forward and demand similar consideration. This disability forces people to move in a world of darkness all the days of their life, and to people so afflicted generous treatment should be given. Such treatment, I say, would not be resented by others nor would it constitute a precedent; on the contrary, it would be appreciated and supported by the whole country. Another factor must be considered, namely, the extent of such assistance; I do not mean individual assistance, but the total cost. After all, and most fortunately, this is a class comparatively limited in numbers and the total cost would not be such as to prohibit reasonably sympathetic consideration of their case. I hope that at some time, and the sooner the better, the house will have the pleasure of supporting a measure which will provide, on the part of the people of this country, financial assistance for the blind.

Mr. MANION: May I point out to my hon. friend that in past years this grant has not been so large as it is this year? The grant started originally in 1919 at $10,000 and for a number of years continued at that figure. In 1921-22 it was raised to $20,000 and in 1924-25 and continuing years it was dropped again to $10,000. Then in 1928-29 it was raised to $15,000 and it has been $20,000 for only a couple of years. No one questions the sympathy to which my hon. friend and the other hon. gentleman have given expression in regard to people who are blind, but the fact is that it was thought the easiest way to deal with all these grants was, if there were to be any cuts at all, rather than cut out some entirely, to make a ten per cent cut in all of them, and this has been done. In view of the past amount of the grant, I think that is the fairest method that could be adopted. I am not quarrelling with the statement made by anybody in regard to the sympathy these people deserve, but at the same time this seems a fair action when one remembers the grant was $10,000 only a few years ago.

Mr. SPEAKMAN: The remarks of the Minister of Railways afford me an opportunity for making another protest. I think there is some justice in his contention that it is better to reduce all the grants by a certain percentage than to eliminate some entirely, but I notice one grant is eliminated, that to the Canadian Social Hygiene Council, an organization which has done splendid work throughout the whole country, the value of which can hardly be estimated, work of an educational character which, if we consider the fact that every year brings a fresh contingent of young people who arrive at the age when such education is necessary, must be carried on continuously if it is to be of any value. May I suggest that it would be well for the future of Canada, well for the future of the entire community, if the suggestion made by the Minister of Railways were carried out completely and none of these grants, particularly that of the nature I have indicated, were cut out.

Mr. HEENAN: Just for the information of my good friend the hon. member for Winnipeg South Centre and for his informa-

tion only, because, if I remember aright, I do not think he was a member of the last parliament—

Mr. KENNEDY (Winnipeg): I said 1926.

Mr. HEENAN: I am speaking of 1926 to 1930. The hon. member stated that he placed a question on the order paper in 1926, asking whether it was the intention of the government to introduce legislation to provide pensions for the blind, and the then prime minister, now leader of the opposition, answered to the effect that the matter came within the jurisdiction, not of the federal parliament but rather of the provinces. I want to point out to the hon. member that the then prime minister replied correctly on that occasion. The difference is, however, that if one were to ask that question to-day, the present Prime Minister would say that it was not in order for a member of the opposition to ask questions with respect to the policy of the government. The situation is this, that this being a matter that did come and still comes within the jurisdiction of the provinces, we had representations made to us by various provinces that the first time the Old Age Pension Act was amended we should take care of the blind. The blind people in 1928 or 1929, I am not sure which, had the assurance—I was on the delegation that met them—that the first time we amended the Old Age Pension Act they would be taken care of under it, of course with consent of the provinces. The act was amended last session and the representation was made across the floor of the house to the present government, but they did not see fit to accede to it. That is why I made the remark I did.

Mr. KENNEDY (Winnipeg): I should like to thank the hon. member for Kenora-Rainy river for explaining once more that this is one of the many things which the party he supports would have done had they remained in power.

Item agreed to.

Grant to the Canadian National Committee for Mental Hygiene, $9,000.

Mr. GARLAND (Bow River): This appropriation is not cut just ten per cent and the Minister of Railways should explain why the tip of the scythe has cut more deeply in one spot than another in the garden of flowers. In this case we shall have no blossoms this year and nobody will be happy. There will not be any more seeds sown. Why is it that in some cases only the flower has been cut off, while in others almost the entire plant has been stricken down?

[Mr. Heenan.]

Mr. MacLAREN: It is obvious what the position is. Under special conditions a reduction has had to be made in the vote this year.

Mr. GARLAND (Bow River): I should like to know the conditions. If the members of the committee will take a glance down this column they will find some very interesting facts. First of all, as mentioned by the hon. member for Red Deer, the appropriation for the Canadian Social Hygiene Council is entirely cut off; this appropriation to the Canadian National Committee for Mental Hygiene is reduced by more than fifty per cent, but apparently we conceive it to be necessary to maintain almost the entire expense in connection with the grant to the Chief Constables' Association of Canada and the grant to the Interparliamentary Union, the latter being reduced by only $60. I disagree with the principle enunciated by the Minister of Railways; but if, as he asserts, it is the policy under which these estimates have been cut, surely an explanation should be forthcoming from him why in this case fifty per cent is cut off this appropriation and only ten per cent cut off that to the Chief Constables' Association.

Mr. SPEAKMAN: While the minister is considering his answer, might I suggest that this is a peculiarly inappropriate vote to be cut at this time. A few days ago, in common I assume with a few of the other members of the house, while perusing the columns of a newspaper published in this city, I noticed some rather unfavourable comments in respect of, shall I say the sanity of members of parliament, including members of the government and leaders of the house. If we are to take that editorial seriously, might I suggest that an increase rather than a decrease in this vote might be necessitated? But apart from that and speaking perhaps more seriously, the time in which we live and the nervous strain under which we are all working—I mean the people throughout the country—would certainly necessitate extreme care and possibly increased expenditure in respect of this particular appropriation. I think it was a mistake, at least in this instance, that the doctrine enunciated by the Minister of Railways in regard to a ten per cent cut, was not adhered to, instead of a fifty per cent cut being made.

Mr. GARLAND (Bow River): The hon. member for Red Deer has not fully explained whether the restoration of the grant to its old standard was in his opinion for the purpose of taking care of the mental condition of members of the House of Commons, or that of the Ottawa Journal.

Mr. COOTE: While the minister is cogitating his answer may I say that if one cared to be facetious he might suggest that the economic conditions obtaining in this country under the present government are such that we may need a very large grant to take care of all the people who will become mentally deranged. Speaking seriously, I believe that the economic conditions in this country at the present time are going to increase, and have already increased, the strain upon institutions and people who are caring for the mentally deranged, and I think that this is one of the last votes that should be reduced if the Canadian National Committee for Mental Hygiene is making any proper use of the grant. I say that in all seriousness, and I am surprised that the Minister of National Health would reduce this grant by fifty-five or sixty per cent. Certainly he should explain to the committee why this grant has been reduced from $20,000 to $9,000 at a time like this. We need something more than the simple statement that all these grants are being reduced by ten per cent, because the reduction here is over fifty per cent.

Mr. GARLAND (Bow River): This committee is entitled to an explanation, and I for one will not allow the vote to pass until we get one. That is the least we can expect from the minister.

Mr. MacLAREN: I have no further explanation to give beyond the one I have already given.

Mr. GARLAND (Bow River): What is that explanation?

Mr. MacLAREN: There is a reduction all around this year in view of the financial stringency.

Mr. COOTE: The financial stringency is driving some people almost out of their minds; in fact, some men in this country have been driven insane because of it. How the financial stringency can be given as an excuse for reducing this grant by over fifty per cent is beyond my imagination.

Mr. GARLAND (Bow River): If we receive no better explanation from the minister than we have had I am opposed to the item carrying.

Item agreed to.

Grant to the interparliamentary union, $540.

Mr. GARLAND (Bow River): What is this item for?

Mr. MacLAREN: For some reason it has been put forward by my department for several years. That is the only explanation I can give. I might mention that I happen to be president of the Canadian branch just now, and when we have our annual meeting I hope that everyone will be present.

Mr. GARLAND (Bow River): May I suggest to the minister quite respectfully that he might just as well cut out this vote. It is only $540 anyhow for the interparliamentary union, and members of parliament whose indemnities have already been cut can stand the cutting out of this small sum. It will not be missed, and we could add that much to the vote for the blind.

Mr. COOTE: Will this add anything to the health of the country?

Item agreed to.

DEPARTMENT OF JUSTICE

Administration of Justice—Exchequer Court of Canada—contingencies—judges' and court officials' travelling expenses, remuneration to sheriffs, etc., printing, stationery, etc., and $150 for judges' books, $7,500.

Printing, binding and distributing court reports, $3,000.

Mr. SPEAKMAN: I want to ask a question which may properly come under this vote. There are occasions when private citizens, having or thinking they have a claim against the crown, wish to proceed against some body representing the crown, and I understand that before they can do so a fiat must be granted by the Department of Justice permitting them to bring suit. The question arose through a request made to me by one of our returned men. He had got into some dispute with the pension commission and he was under the impression—I am not familiar with all the details—that he was being wrongfully refused payment of pension after the act had been complied with to the extent of the pension itself being granted in part. He was then advised that the next step to be taken was to proceed against the pension commission, and that in order to do that he had to secure a fiat from the Department of Justice permitting him to bring suit. I am not familiar with the procedure, and I should be glad if the minister would tell me first whether, under any circumstances, suit of that nature may be brought; if so, is it necessary first to secure a fiat? Also, what procedure must be followed in order to make application for that fiat? If the minister can answer that it will enable me to reply to the inquiries made.

Hon. HUGH GUTHRIE (Minister of Justice): All actions or suits against the crown

can be commenced only by a fiat permitting action to be brought. I do not know the facts of the case to which my hon. friend has referred, but he may take it as the law generally that no suit can be entertained against the crown without the consent of the crown, which is the fiat. Application for a fiat is made to the Minister of Justice, and when granted suit can be brought in the exchequer court. In any reasonable case a fiat is never withheld.

Mr. SPEAKMAN: Thank you. If that is the case a person wishing to apply for a fiat simply communicates with the Minister of Justice stating his case and making his request?

Mr. GUTHRIE: There is a form of petition submitted when a request is made for a fiat. A petition is filed, and then on the recommendation of the minister His Excellency the Governor General endorses it, "Let right be done." That is the fiat.

Mr. SPEAKMAN: A copy of the petition may be secured from the Department of Justice?

Mr. GUTHRIE: The form of petition is in accordance with the rules of the exchequer court, which are available to anybody.

Item agreed to.

Mr. GUTHRIE: The next item is in connection with penitentiaries. Unfortunately my deputy is not in the chamber.

Mr. MACKENZIE KING: Go ahead.

Penitentiaries—amount required for cost of administration, construction, purchase of land, supplies and equipment, maintenance and discharge of inmates at Kingston, St. Vincent de Paul, Dorchester, Manitoba, British Columbia, Saskatchewan and Collins Bay penitentiaries, $2,655,700.

Mr. BRADETTE: I should like to refer to the case of Fontaine and Lacasse, who, on account of a miscarriage of justice a few years ago, were sent to a penitentiary. Afterwards it was found that they were innocent. I understand they have made application to the Department of Justice for compensation. To bring the facts clearly before the committee I shall read an article which appeared in the Ottawa Citizen of March 17, 1932:

The Citizen has received a letter from Lionel Fontaine in which he appeals to us again to draw his case to the attention of parliament. This we do in the belief that until some restitution is made a blot will remain on Canada's reputation for impartial justice.

Fontaine is one of the two men (Lacasse is the other) who were charged, "identified," and sentenced as the guilty persons in the robbery of an Ottawa milk salesman in Rockcliffe in the fall of 1929. They were given two years and served seven months of that term before their innocence, by an extraordinary turn of events, in which the police had no part, was established.

It is now nearly two years since Fontaine and Lacasse were shown to be the victoms of a miscarriage of justice. But they have received no redress.

Then the closing paragraph is as follows:

Presuming no steps have yet been taken to "amend the incident" it is time that something were done. Fontaine asks on behalf of himself and Lacasse for compensation to the amount he would have earned if gainfully employed during the seven months the two lay in prison innocently convicted. We respectfully call the attention of the authorities to this request once more and suggest that the compensation be paid.

I think the request is very reasonable, because had they been falsely accused by a layman he would have had to make compensation.

Mr. GUTHRIE: The hon. member is no doubt aware of the fact that while we in this parliament make the criminal law of Canada, the Department of Justice or the government does not administer that law throughout the provinces. The unfortunate prosecution which resulted in the conviction of these two young men was undertaken at the instance of the attorney general's department of the province of Ontario. His officers made the arrest and conducted the prosecution; the federal department of Justice had no part in it whatsoever. Conviction was made after a trial in the province of Ontario, and sentence was imposed by a court of that province. The prisoners were ordered to serve their terms in the penitentiary at Kingston. As soon as the true facts were brought to the attention of the former Minister of Justice he recommended that the two young men in question be released. I do not think he had authority to make a payment of money, or to do anything other than he did do—to have the young men released as speedily as possible. This case has been before me at least half a dozen times, and in each instance I have informed the applicants that if they have any redress they must seek it from the legislature of Ontario, in which province the prosecution was instituted. It is one of those unfortunate miscarriages of justice that sometimes take place, but I cannot see that the federal department is in any way responsible for it.

Mr. BRADETTE: The Minister of Justice has said an injustice was done to these men. Naturally the Canadian people will think they are entitled to compensation. So far as I can learn, no application has been made to the provincial legislature. It would seem that

pressure should be brought upon the provincial authorities by the federal government so that this anomaly may be remedied. From the article appearing in the Citizen one would conclude that these young men think they should receive compensation from federal authorities.

Mr. GUTHRIE: They have no reason to think that, because ever since they were liberated they have been informed definitely and on many occasions that any claim to compensation or indemnity they may have should be lodged with the Ontario legislature. They know that; I do not know whether or not they have made application there.

Mr. MACKENZIE KING: I have learned there is to be some reorganization in connection with the personnel of the penitentiary at Kingston. Is the minister in a position to make a statement in that connection?

Mr. GUTHRIE: Yes; reorganization is contemplated. We have two penitentiaries at Kingston. One of them is in course of construction, and has hitherto been referred to as the preferred class penitentiary. The name has been changed and it is now known as the Collins Bay penitentiary. That institution was controlled by an acting warden who had never been appointed to the wardenship. Formerly he had been an inspector on the penitentiary staff, and he has now returned to his duties as inspector at Ottawa. Another member of the staff named Allen, who was chief engineer, has been appointed warden of the Collins Bay penitentiary. Warden Ponsford of Kingston penitentiary has retired. The position is now vacant. There is an acting warden in that penitentiary, a man who has been for a long time on the penitentiary staff, but the appointment will be filled by the Civil Service Commission. The advertisement for that position has recently been current, and I think applications are all in and are now under consideration. I do not know what the determination of the commission will be in that respect. There is also another change through the retirement of General Hughes, who for many years was superintendent of penitentiaries. That position is likewise vacant and an advertisement is current by the Civil Service Commission to fill it.

Mr. REID: Has the minister any information regarding a criminal by the name of Bagley? He escaped from Oakalla provincial prison some time ago. It is said he was sentenced to a ten-year term at New Westminster penitentiary and was released after serving only five years. Later he was picked up by the provincial police and put in the provincial prison at Oakalla. He is now advertised as a very desperate criminal who boasts that he will not be taken alive.

Mr. GUTHRIE: I think I have some information with regard to the case. This man Bagley, or Brown—I think Brown is his correct name—was implicated, with three others, in an armed robbery some six or seven years ago. They were convicted and received fairly long terms in the penitentiary. Brown, or Bagley, was sentenced to a term of ten years and twenty lashes. His three companions in crime were released in 1928 and 1929. Brown was not released at that time. He did receive the lashes that were imposed and has served with remission—because remission is allowed for good conduct—six and a half years of his term. In November, 1930, he was released for deportation to the United States, being an American citizen. He was deported. Subsequently he seems to have again come to Canada in some way or other, and committed a further crime, for which he was placed in the provincial prison at Oakalla, British Columbia. From that prison he escaped, and has since been guilty of some other serious depredation, I do not know exactly of what nature. I believe at the moment his whereabouts are not known, but, I understand, he is regarded as a dangerous criminal.

Mr. REID: Is the position of warden at New Westminster penitentiary being filled?

Mr. GUTHRIE: No, that also is awaiting action by the Civil Service Commission. The warden at New Westminster resigned to take the position of chief of police of the city of Vancouver.

Mr. MACKENZIE KING: How does the Civil Service Commission go about filling the position of warden of a penitentiary?

Mr. GUTHRIE: I must say quite freely that I have not been consulted about it either directly or indirectly by any member of the commission.

Mr. MACKENZIE KING: Have any of them ever been in a penitentiary themselves?

Mr. GUTHRIE: I cannot say as to that, but I understand that they selected a committee and placed the applications before the committee to deal with. I know of one case —and I fancy that my right hon. friend the leader of the opposition will recall it—where the Civil Service Commission made an appointment some years ago and actually brought the man from Nova Scotia to fill it, but when he got here they reconsidered the matter and told him he could not have the position, and

appointed another man. But I do not know the modus operandi adopted by the Civil Service Commission in regard to these appointments, more than the fact that they advertise the vacancies.

Mr. GERSHAW: A few years ago a resolution was discussed in this house regarding the advisability of providing work for inmates of penitentiaries with a view to supporting their families. Has anything along that line been considered?

Mr. GUTHRIE: Nothing along that line has ever been adopted. I do not think anything of the kind is in force in any prison in the British Empire. I believe in some prisons in the United States something is done in this way, the inmates being paid at the rate of about ten cents a day.

Item agreed to.

EXTERNAL AFFAIRS

London—salaries and expenses of the office of the High Commissioner for Canada, including $1,800 additional salary for the High Commissioner to that authorized by chapter 15, R.S.C., $123,660.

Mr. MACKENZIE KING: I do not know whether the Prime Minister as yet assumes responsibility for the utterances of the high commissioner or not, but if he does perhaps he will explain to the committee what the high commissioner meant when he said the other day, as reported pretty generally in the press of Canada of April 6:

On every hand—

This is referring to the British people.

On every hand it is said that since the reformation there has been nothing of such importance as the economic conference in Ottawa next July.

I have been at a loss to appreciate the significance of the reference to the reformation in connection with the economic conference, but perhaps the Prime Minister can explain.

Mr. BENNETT: As far as I know, Mr. Chairman, the remark must have meant that there has been an entire reformation of the fiscal system of Great Britain, and this is a manifestation of it, being the result of the efforts in that direction.

Mr. MACKENZIE KING: Then I notice the high commissioner also says:

The conference is spoken of in Great Britain as the new dispensation in British history. Independent of politics, independent of everything else, it is realized that the empire is facing a determination of its independence on international contacts.

Can the Prime Minister explain the sentence, "The conference is spoken of in Great Britain as the new dispensation in British history"?

Mr. BENNETT: It marks an epoch probably, and epochs and new dispensations are more or less synonymous. Possibly the high commissioner thought another landmark in history was being passed which was very important to the whole British empire. I am bound to say that my attention had not been directed to that particular part of his remarks. The first observation I had seen. Assuming he is correctly reported, I cannot think he meant other than just what is said, that the coming economic conference is a very great and important event in the minds of many people, that the British public were expressing great hopes and expectations of a favourable outcome of the conference to be held in this city next July, and that under the newer dispensation of closer trade relations between the various component parts of the empire another epoch would commence. I imagine the words "new dispensation" were used in that sense, rather than as affording liberty or licence,—if one might use either word—to indulge in other than the most hopeful expressions of good will and of belief in the future of the commonwealth of nations under closer union and a new dispensation.

Mr. MACKENZIE KING: Evidently the high commissioner is indulging in a large measure of prophecy; we hope he may not be humbugging the British public, as well as the Canadian, in what he has had to say. Does that account for the $1,800 additional salary being given to the high commissioner?

Mr. BENNETT: As a matter of fact the salary is lessened by $1,000.

Mr. MACKENZIE KING: The item reads:

Salaries and expenses of the office of the High Commissioner for Canada, including $1,800 additional salary for the High Commissioner to that authorized by chapter 15, R.S.C.

Mr. BENNETT: I am quite sure the right hon. gentleman has overlooked the fact that the salary of the high commissioner is $10,000 under the statute, and that for many years an additional $2,000 has been paid. There is nothing new in this item; $2,000 less ten per cent leaves $1,800, and the language of the item is exactly as it has been for several years. The salary is $12,000, less $1,000 representing ten per cent of $10,000, and less $200 representing ten per cent of the additional $2,000 which has been voted yearly during the last ten years. That is the explanation; there is no increase at all.

Item agreed to.

Washington—representation, including salaries and allowances for minister plenipotentiary, secretaries and staff, notwithstanding anything to the contrary in the Civil Service Act, or any of its amendments, $92,900.

Mr. SPENCER: Would the Prime Minister give the reasons for this decrease?

Mr. BENNETT: The decrease represents ten per cent of the salaries and a readjustment of staff. The salary reduction amounts to $4,759, and the balance is represented by an adjustment of personnel.

Item agreed to.

Geneva—salaries and expenses of the office of the Canadian advisory officer, $22,000.

Mr. MACKENZIE (Vancouver): Who is the Canadian advisory officer?

Mr. BENNETT: Doctor Riddell. He has been in that position for some years.

Item agreed to.

Geneva — Canada's contribution to the expenses of the League of Nations for 1932, including secretariat, international labour organization and permanent court of international justice, $220,613.94.

Mr. BENNETT: The increase in this item comes about by reason of the slight change in the standard used for the purpose of determining the amount to be paid by each of the member nations of the league. Our share amounts to not quite thirty-five one-thousandths; the exact figure is $^{35}/_{999\frac{1}{2}}$. We pay that proportion of 1,079,669·63 gold francs, or $227,621.10 in gold dollars. The slight change made in the basis of adjustment by the finance department of the League of Nations—for they have a budget, and what amounts to a minister of finance—imposed that amount upon us.

Mr. SPENCER: How are the expenses allocated?

Mr. BENNETT: The old basis was the postal union rates. Under that system rather a heavy burden was imposed upon us, but some adjustments have been made and now we have an arbitrary allotment, fixed by the department of finance of the league. Perhaps the details would take some time to explain, but the representatives of the nations first of all determine how much will be required for the year. This year there is an extra amount in connection with the disarmament conference and the expenses incidental to it. Then they apply a principle at which they have arrived, and as a result our share is almost thirty-five one-thousandths. The expenses are divided into 99½ parts, of which we pay 35 as our share.

Mr. SPENCER: I was wondering if the question of population had anything to do with it.

Mr. BENNETT: No; the question of population was not regarded as a sound basis upon which to determine these contributions when the league was started. I suppose my hon. friend is familiar with the fact that the postal union arrived at certain understandings upon which they classified the different countries, and our original contribution was made under that classification. It imposed upon us rather a heavier burden than would have been the case if population had been the standard, because we occupied a position of somewhat greater importance, from the standpoint of the international postal union, than was indicated by our population. I remember discussing the matter at some length with Sir Herbert Ames when he was attached to the financial section of the league, and he explained to me the difficulties which had been encountered in the early days in arriving at some basis on which the computation could be made. It is not based solely upon population. There were factors which determined the action of the international postal union at one time, and those factors have been considered. Finally the arrangement I have indicated was arrived at, by which the whole cost was divided into 99½ shares, our portion being 35.

Mr. WOODSWORTH: It always seems rather strange to me that it is only under an item of expenditure that we have any opportunity of finding out anything definite in connection with our policies with regard to foreign affairs, but apparently this is the only way we can get at it.

There are one or two matters with reference to which I should like the Prime Minister to make some statement. I refer first to Canada's attitude, in the league, with regard to Manchuria and conditions in China. I think almost everyone must have been disappointed at the attitude of the league, especially in the earlier stages of the trouble. I do not know just what is the position at the present moment, but whatever that may be with regard to the league proper, still the league is only a combination of the member nations, and as yet we have not had a statement as to the attitude of Canada as a member of that league. I wish we might have from the Prime Minister some statement with regard to that whole matter.

Mr. BENNETT: I do not know whether the hon. gentleman desires that I should enter into an historical discussion, in the first in-

stance, of the incidents that led up to the present conditions in Manchuria and the difficulties that have been encountered in an amicable adjustment of the differences between Japan and China. If so, I shall have to take another occasion for that, but I should like to remind my hon. friend that Canada was not a member of the council of the league, and of course responsibility for the conduct of the business of the league when the assembly is not in session must rest with the council.

Mr. WOODSWORTH: I do not want to interrupt—

Mr. BENNETT: That is quite all right.

Mr. WOODSWORTH: Each member of the league is at liberty under certain circumstances to make representations to the council with regard to anything that is liable to upset the peace of the world.

Mr. BENNETT: I was only going to point out that the conduct of the league was determined by the council up to the time the assembly met and that Canada had not membership in the council. I do not know whether the hon. gentleman desires that I should indicate just what steps were taken by the council. I assume that hon. members are all familiar, from reading the newspapers and the official reports that have appeared from time to time, with the steps that were taken by the council. In the end, the assembly was called together, and as it was called together at a time when the representatives of the government were present in Geneva, in connection with the disarmament conference, they were asked to attend the meeting of the assembly. They did attend at that assembly, participated in the discussions, and assisted in arriving at the conclusions which were reached and which, you might say, were practically unanimous as to what position should be taken.

I did not think it would be wise, and I certainly accept the responsibility for having so advised our delegates, that we should endeavour, with the slight knowledge that we possess as compared with those who are constantly in touch with the situation at Geneva, and those who are responsible for the investigations in Manchuria, either to blame or praise this country or the other in connection with matters so serious as those involved in the then differences between Japan and China. But in view of what the hon. gentleman has said, and owing to the fact that I have not brought with me the papers connected with the meeting at Geneva, I shall be glad to let the item stand and indicate to the committee just what was done so far as we were concerned, the part our delegates took in the assembly, and the opinions which they expressed at that gathering, and which I think would reflect at least the sober, intelligent and moderate judgment of Canadian public opinion. I shall be glad to do that, and the item can stand for that purpose.

Mr. WOODSWORTH: Thanks very much. May I ask the Prime Minister, if on some future occasion he brings this matter to the committee, whether he will also be prepared to give the committee some idea as to what instructions have been given to the Canadian delegates to the disarmament conference? That is a matter of general interest to the people of Canada, and it would be well for us to know just where the government stands with regard to the whole disarmament question. Are we prepared to take any sort of lead with regard to such matters? I suppose that at this late hour there is hardly time to go into that, but when the Prime Minister is bringing down other information possibly he will be willing to give some idea as to where our delegates stand at this time.

Mr. BENNETT: I shall be glad to do so, Mr. Chairman.

Item stands.

Expenses of Canadian delegates to the assembly, council and commissions of the League of Nations, $17,000.

Mr. MACKENZIE (Vancouver): Who were the delegates apart from the two ministers?

Mr. BENNETT: This item does not cover the gathering to which the hon. gentleman refers. The meeting of the assembly the other day was a special meeting called as I indicated a moment ago; and as our delegates were present in Geneva attending the disarmament conference they attended the assembly gathering. This item covers the expenses of the assembly meeting, which is usually held in the fall, and the amount against which it is placed, namely, $18,000, represents the expenditure for last year's meeting. The expenses generally run from $15,000 to $25,000, depending upon the length of the meeting and the numbers that attend.

Item agreed to.

Geneva — Canada's contribution to the expenses of the League of Nations for 1932, including secretariat, international labour organization and Permanent Court of International Justice, $220,613.94.

Mr. BENNETT: This item will stand and I will endeavour to make an explanation such as the hon. gentleman desires.

Item stands.

External Affairs—salaries, $87,678; contingencies, $67,000.

Mr. BENNETT: There is a slight decrease in the departmental staff, as will be observed, and the rest of the decrease in expenditures is represented by the ten per cent reduction.

Item agreed to.

Privy Council—salaries, $42,984; contingencies, $7,000.

Mr. BENNETT: There is a slight decrease brought about by a small reduction in staff and the application of the ten per cent.

Item agreed to.

Office of the secretary to the governor general—salaries, $29,322; contingencies, including house allowance of $1,500 per annum to the secretary to the governor general, $70,500.

Mr. BENNETT: This is the item of last year, with reductions.

Item agreed to.

Mr. BENNETT: There is one item I propose to leave. There are three items at the top of page 56, and the first of which, the item for hospitality to foreign visitors, No. 233, has been reduced this year by $23,000, because there were two extraordinary obligations incurred last year for which provision was made. The royal houses of Japan and Siam were represented in this dominion during that period. The second item is a revote of some money that has been standing in connection with the arbitration of the I'm Alone case.

Mr. MACKENZIE KING: I assume that the item for hospitality is exclusive of anything connected with the imperial conference.

Mr. BENNETT: Yes. That is one item I am not going to touch.

Miscellaneous—to provide for the arbitration expenses—"I'm Alone" case (revote), $9,000.

Mr. MACKENZIE KING: Can the Prime Minister report any progress in connection with that case?

Mr. BENNETT: Mr. Justice Duff visited Washington last month and had a conference with the representatives of the American government. The case is rather complicated at the present time. The right hon. gentleman is, I think, fully aware of the intricate and delicate legal questions that have been raised, and at the moment there has been no determination of these preliminary questions, with respect to which reports had to be made to enable further action to be taken. But some progress has been made by reason of the conference that took place last month.

Item agreed to.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Friday, April 8, 1932

The house met at three o'clock.

SURVEY OF NATIONAL PORTS

REPORT OF SIR ALEXANDER GIBB TABLED

Hon. ALFRED DURANLEAU (Minister of Marine): I desire to lay on the table of the house Sir Alexander Gibb's report on a survey of the national ports of Canada.

On the orders of the day:

Mr. PAUL MERCIER (St. Henri): May I ask the Minister of Marine if the report of Sir Alexander Gibb which has just been tabled will be printed and made available to every member of the house?

Hon. ALFRED DURANLEAU (Minister of Marine): As members of the house can see, the report is voluminous. It contains many charts, plans and sketches, and to print it would be very, very expensive. I intend to refer the report to the committee on printing, and the committee will decide whether it should be printed in full or only a synopsis should be made.

Right Hon. W. L. MACKENZIE KING: May I ask the Minister of Marine, now that the report of Sir Alexander Gibb is down, whether it is the intention of the government at this session to introduce any legislation based upon the report?

Mr. DURANLEAU: The report is being studied now, and the question whether any legislation will be brought down will be under consideration within the next few days.

UNEMPLOYMENT AND FARM RELIEF

TABLING OF ORDERS IN COUNCIL PASSED UNDER AUTHORITY OF ACT

Hon. HUGH GUTHRIE (Minister of Justice) Mr. Speaker, in the absence of the Minister of Labour I beg to lay on the table the following orders in council passed under the authority of the Unemployment and Farm Relief Continuance Act; Nos. 759, 760, 761, 762, 763, 764, 765, 771, 773, 774 and 785.

HOUSE OF COMMONS

VACANCY IN REPRESENTATION OF MAISONNEUVE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I should like to draw the attention of the government to the fact that there has been a vacancy in the constituency of Maisonneuve ever since the sixteenth of January last. On the twenty-first of January the government issued a writ for a by-election in Athabasca, where there was also a vacancy, but no writ was issued at the time with respect to the vacancy in Maisonneuve. I would like to ask if it was the intention of the government to allow that constituency to go unrepresented in this parliament this session; also whether the government intends to take steps to see that a writ is immediately issued.

Hon. HUGH GUTHRIE (Minister of Justice): The Prime Minister is out of the house at the moment, but he will be in shortly and I will bring the matter to his attention and ask him to give an answer.

FISHERIES ACT AMENDMENT

Hon. ALFRED DURANLEAU (Acting Minister of Fisheries) moved that the house go into committee on Bill No. 10, to amend and consolidate the Fisheries Act.

Motion agreed to and the house went into committee, Mr. Cowan (Port Arthur-Thunder Bay) in the chair.

Mr. NEILL: Has this bill been reprinted, Mr. Chairman? I do not see how we can go on with it if it has not. It is not on our files. There was a large number of amendments, some of considerable importance, made to the bill in the marine and fisheries committee, and I do not see how we can intelligently study the bill unless it is reprinted with the amendments.

The CHAIRMAN (Mr. Cowan, Port Arthur-Thunder Bay): I understand that the committee did not order the reprinting of the bill, that the amendments were short and that it was not considered necessary to reprint the bill.

Mr. NEILL: I do not know what the committee did not do, but it is not customary to discuss a bill with so many amendments in committee of the whole without first having the bill reprinted, and I have never heard that it was necessary for a committee to order reprinting; that is a matter of departmental policy. I do not see how we can adequately deal with this bill. We trusted the amendments would be on record; we do not know what they are. For hon. members who have spent many days discussing this matter in committee it will be unfortunate if we have to begin all over again. I would suggest either that the amendments be printed in the votes and proceedings or that the bill be reprinted.

Mr. RALSTON: I wish to join in the remarks of the hon. member for Comox-Alberni in requesting the minister to comply with the suggestion. I happen to come from a constituency in which great interest is taken in this bill. Not being a member of the fisheries committee I have no idea what amendments were made, and have not had an opportunity of attending discussions in committee. Therefore for the information of hon. members who have not attended the meetings of the fisheries committee I request that the amendments be printed or be put into such shape that they may be considered by the committee of the whole.

Mr. DURANLEAU: The amendments adopted in committee were neither numerous nor very important, and for that reason the committee did not see fit to order reprinting. I wish to be courteous, however, and be as fair as possible to hon. members. If they think the bill should be reprinted, I have no objection. Therefore I move that the committee rise, report progress and ask leave to sit again.

Progress reported.

FISH INSPECTION ACT

Hon. ALFRED DURANLEAU (Acting Minister of Fisheries) moved that the house go into committee on Bill No. 6, to amend The Fish Inspection Act (with amendments).

Motion agreed to and the house went into committee, Mr. Cowan (Port Arthur-Thunder Bay) in the chair.

On section 1—Application of act.

Mr. RALSTON: Was there a substantial number of amendments made to this bill?

The CHAIRMAN (Mr. Cowan, Port Arthur): I think there are two.

Mr. RALSTON: Will you please tell us what they are.

The CHAIRMAN (Mr. Cowan, Port Arthur): There is no change in the principle of the bill, but a slight change in the phraseology.

Mr. NEILL: Will the minister introduce the amendments agreed upon in committee?

Mr. DURANLEAU: On this bill?

Mr. NEILL: Yes.

Mr. DURANLEAU: Yes.

The CHAIRMAN (Mr. Cowan, Port Arthur): Section 1 was amended in committee, and an amendment was inserted, known as 1 (a), as follows:

Section 4 of the said act is amended by adding thereto the following subsection:—
(g) to prescribe the size or sizes of containers in which oysters may be shipped or taken from any province in Canada, and how such containers shall be marked;
(h) to provide for the grading and inspection of oysters;
(i) to prescribe how incorrectly marked containers of oysters shall be remarked and dealt with.

Mr. NEILL: What section does that amend?

The CHAIRMAN (Mr. Cowan, Port Arthur): Section 1 of the bill.

Mr. NEILL: The confusion in this instance illustrates the need for the reprinting of the bill. We do not know what the amendments are. We have only a very imperfect recollection of what took place, and those hon. members who were not in the fisheries committee cannot possibly decide on the merits of the amendments.

Mr. DURANLEAU: Mr. Chairman, these clauses were embodied in the existing Fisheries Act. The suggestion was made in committee that this part of the Fisheries Act should be incorporated in the Fish Inspection Act because it concerns inspection. In the result therefore, we are deleting these clauses from the Fisheries Act and incorporating them in the Fish Inspection Act. There is no new legislation, but only a transfer from the Fisheries Act to the Fish Inspection Act. I do not think the amendments require printing.

Mr. VENIOT: Mr. Chairman, referring to that part of the act which concerns oyster fisheries, I would like to call the minister's attention to regulations passed last year governing fishing for oysters. For instance, I find clause 12 is as follows:

"Minimum size of oysters." Except with the permission of the minister, no one shall fish for, retain or kill any round oyster of a less size than three and one-half inches in diameter, or any long oyster of a less size than four inches in length, of the outer shell.

In certain sections of the provinces of New Brunswick it will be impossible to observe those regulations. The Caraquet bay oysters cannot be fished under that regulation at all. There is no use stating that if the regulations are observed the oyster will grow to a greater size. The natural shape of the Caraquet oyster is round. It is not elongated such as those found in Shediac bay or in Buctouche bay or Buctouche river. The result is that the men who have been able to earn their livelihood by the observation of former regulations are now thrown out of work. I ask the minister to look into these regulations very carefully, and to recommend that the sizes which obtained in the past be allowed. There is no use telling us that the regulations are enforced for the greater protection of the oyster beds. That may be true in certain sections of New Brunswick but certainly it does not apply to all sections.

Mr. DURANLEAU: Mr. Chairman, I thank the hon. member for the information and suggestions he is now making. He has referred to regulations, and I can assure him his suggestions will be well considered.

Mr. VENIOT: Since the minister has been so considerate in connection with my suggestion, I have a further one to make. In the name of conscience, do not allow oyster packages, as designated in the regulations adopted last year, to be used further. It is not a package that should be put on the market at all; it is too bulky and its appearance is enough to condemn the contents. Let us have a decent package. The inspectors of the minister's department have reported that the package is ungainly and unsightly, and I hope he will take that report into consideration. Some manufacturers of barrels submitted a certain plan, and that has been accepted. But simply because the plan meets their view is no reason why it should be accepted. The package most convenient to handle and best in appearance is the package that should be accepted, even if you have to put fewer oysters therein. If the package is to contain two, three or four hundred oysters, as the case may be, and this necessitates such an ungainly way of packing them, then reduce the number of oysters and put them in an attractive package. Do not impose on the public such an ungainly package as the one ordered last year.

Mr. DURANLEAU: I am told that the fish dealers of Prince Edward Island are perfectly satisfied with the regulations as to those packages.

Mr. VENIOT: I may say to the minister that they are not satisfied. I am acquainted with hundreds of those dealers.

Mr. DURANLEAU: It will be a matter of investigation on the part of the officials of my department, and if my hon. friend's complaints are well founded no doubt we will take the necessary steps to remedy the situation.

Mr. MacLEAN: What is the size of oysters under the old regulation and under the new?

Mr. DURANLEAU: I have not the information under my hand to-day, but I will supply it later on to my hon. friend.

Mr. MacLEAN: Who asked for the change? Is it a departmental regulation or has it been requested by parties interested?

Mr. DURANLEAU: I cannot say offhand if it is purely departmental or if the change was made on the request of someone, but I will supply the information to my hon. friend.

Mr. VENIOT: In the past the regulation diameter was three inches for the round oyster and three and a half inches for the elongated; under the present regulations it is three and a half for the round and four for the elongated. There is no trouble about the four-inch diameter for the elongated oyster, but there is a great deal of complaint about the three and a half inch diameter for the round oyster. Whoever made the recommendation did not have in view the size of oysters in the different sections of New Brunswick and perhaps in Prince Edward Island. I can assure the minister that as to the Shemogue oyster, the Shediac oyster, the Buctouche bay and Buctouche river oyster and the Baie du Vin oyster, there is no trouble applying the regulation, but when you come to oysters further north in New Brunswick you cannot apply it and do justice to the market, nor will the application of the regulation protect the oysters in northern New Brunswick.

Section as amended agreed to.

On section 2—Containers must be inspected.

The CHAIRMAN (Mr. Cowan, Port Arthur): Section 2 was amended in the twenty-third line, where the word "shall" has been changed to the word "need." The proviso will now read:

Provided that boxes for smoked herring and boxes for dry salted herring need not be inspected and marked until they have been packed and made ready for shipment.

Mr. NEILL: Was there not another amendment made to that section?

Mr. ERNST: All the words after the word "shipment" in line twenty-five were struck out. The amendment in so far as it relates to fish oil was also struck out.

Mr. NEILL: The same thing should be struck out in subsection 2.

Mr. ERNST: It was.

Mr. NEILL: When we pass this bill the Angel Gabriel won't understand it. I find the member for Gloucester (Mr. Veniot) is driven to appealing to the house to do something for conscience sake.

The CHAIRMAN (Mr. Cowan, Port Arthur): Subsection 2 was amended by striking out the proviso:

Provided that such fish oils as may hereafter come under the provisions of this act shall be prepared and graded in accordance with the regulations and be inspected in accordance therewith.

Mr. NEILL: Carried.

Section as amended agreed to.

Section 3 agreed to.

On section 4—Penalty for altering official mark.

Mr. NEILL: No amendment to section 4?

Mr. ERNST: No, but there was an addition to the old act.

Section agreed to.

Bill, as amended, reported.

SUPPLY

DEPARTMENT OF MARINE

The house in committee of supply, Mr. Cowan (Port Arthur-Thunder Bay) in the chair.

Marine—salaries and contingencies, $437,137.

Mr. LAPOINTE: When will the deputy minister be appointed?

Hon. ALFRED DURANLEAU (Minister of Marine): I think it will not be long.

Mr. LAPOINTE: How long has the position been vacant?

Mr. DURANLEAU: As the hon. member for Quebec East knows, this is a matter for the Prime Minister, so I think the question should be directed to him when he is in the house.

Mr. LAPOINTE: I am hardly ready to accept the doctrine that if the Prime Minister is not ready to appoint a deputy minister the department should not have one. Would my hon. friend subscribe to the principle, that even if he needs a deputy minister he will not have one if the Prime Minister is not ready to make the appointment.

Mr. DURANLEAU: I did not say the Prime Minister was not ready to make the appointment, but I have an assistant deputy minister and an assistant to the assistant, who are both very competent men. I do not think my hon. friend should press for an immediate appointment, because we want to make a first class choice.

Mr. LAPOINTE: Have any applications been made to my hon. friend for the position?

Mr. DURANLEAU: As I told my hon. friend, any such applications must be made to the Prime Minister.

Mr. LAPOINTE: Not a word whispered to the minister himself?

Mr. DURANLEAU: No official word.

Mr. GARLAND (Bow River): I wonder if perhaps that is the reason why the appointment has not been made, all the applications going to the Prime Minister and none to the minister himself. I would not blame the minister if he did not make an appointment under those circumstances.

Item agreed to.

Ocean and river service—maintenance and repairs to Dominion steamers and icebreakers, $1,521,000.

Mr. ARTHURS: I should like to direct the attention of the minister, from my place in this house, to the situation with regard to the marine agency in the constituency which I represent. We have been somewhat unfortunate in the past in regard to the boats provided by the government. Many years ago, prior to the war, we had a good boat known as the Simcoe. Owing to the exigencies of the war that boat was taken from that station and sent to the Atlantic coast, for which work it was totally unsuited, as was shown by the fact that it was lost with all hands on its first voyage.

Subsequently a boat built for the St. Lawrence service, the C.G.S. Grenville, was placed on that route. This was a first class boat in every way, but it was rather small for the service. Two or three years ago the government purchased a vessel known as the St. Helier, which I am led to believe was built during the war for coastal patrol work in Great Britain. This boat had an overall length of 130 feet. It was unsuited for the service and was unseaworthy in many ways, and a number of sister ships were lost. This boat was purchased by the late government on condition that it was to be lengthened to 180 feet, which was done, but no provision was made for changing the location of the engines. As a result when they attempted to turn her over to the captain and crew at Prescott she was found to be 14 feet down by the stern. In order to remedy that I understand about 200 tons of cement were placed in her forehold. In many ways she is absolutely unseaworthy, or so I am informed; she is cranky, and naturally must be under the conditions I have named. Any man with any marine experience at all will understand that the steering apparatus, the rudder and so on, built for a boat 130 feet in length, would be totally unsuited for a boat 180 feet long.

I would ask the minister to have this boat inspected by a thoroughly competent naval architect before it is placed in the service. The members of the crew, together with their families, are naturally apprehensive as to their safety. I neglected to mention that we had another boat in that service called the Lambton, which also belonged to the Department of Marine and which was lost in lake Superior with all hands simply because it was not suited to the work. I think I am quite justified in bringing this matter to the attention of the minister, because I believe the government would be negligent if they did not look fully into it before risking the lives of the crew of this boat.

Mr. DURANLEAU: I had no knowledge of the facts just brought forward by the hon. member; I always thought, and it was the opinion of the department, that the vessel in question was quite seaworthy. But I will be pleased to have an immediate inspection made by a competent officer. I am anxious to give the best service possible in that direction, and this will be done immediately.

Mr. ARTHURS: I did not intend to reflect on the minister at all; this boat only came to the station late last fall, and we had no previous experience with her.

Mr. NEILL: While this item is only for maintenance and repairs it might be a proper time to ask the minister if he has carried out what I believe was his intention, the construction of a sister ship to the Estevan to aid in the lighthouse work on the Pacific coast. I presume the minister knows this vessel is

very badly needed. The Estevan is continually at work and the work has increased very much in late years, in fact, to a really marked degree, along with the development of the country. In years gone by they used to have three steamers, whereas now they have practically only one, the Estevan, with any equipment to lift the big buoys. For the lack of a sister ship or some auxiliary boat, we find that this powerful boat is going around doing what I would call petty work, such as a smaller boat would be suited for. Driven by necessity, therefore, they have allowed the lifting of buoys to get behind, so that the light goes out, and to try to meet the immediate situation they have adopted a sort of temporary system which takes up a good deal of time and is by no means satisfactory. All this is due to the fact that the vote is not sufficient to take care of the work. It was the intention of the department some years ago to build a steamer. Possibly this is being done now; the boat may be under construction. I cannot too strongly emphasize, however, the importance of another steamer on that work on the Pacific. I have not the figures with me, but if I remember rightly, in the last ten years the lights and buoys on the Pacific coast have increased one hundred per cent although the equipment to handle the work has gone down, from the standpoint of numbers at any rate. Can the minister give me any information in regard to this matter?

Mr. DURANLEAU: Though the department is fully seized of the necessity for such construction, we did not consider the time opportune to incur the expenditure, especially in view of the reduction in our revenues. We have decided not to undertake such expenditures at the present time, but we have the matter in hand and hope to be able, as soon as possible, to proceed with construction.

Sir EUGENE FISET: Is it the intention of the minister to go on with the project which the department contemplated two years ago, of building a new boat to replace the Jalobert, at Rimouski? I understood that plans were being prepared and estimates were obtained, and that it was proposed to go on with the construction at the earliest possible date. As the minister knows, the Jalobert is a small boat and the conditions under which she is operating at Father Point are extremely dangerous at times. The construction of a new boat is absolutely needed.

[Mr. Neill.]

Mr. DURANLEAU: That very question was brought to the attention of the department two or three years ago and has been under consideration since. I regret, however, that I must give to my hon. friend the same answer I gave in the other case: the time is not opportune to undertake such expenditures. Unless it becomes absolutely necessary, I do not think we should go on with that undertaking at the present time.

Sir EUGENE FISET: If the minister will take the trouble to peruse the reports on file in regard to the Jalobert, he will see that it is becoming increasingly necessary every year to provide a new boat, and I hope he will give due consideration to the application already made.

Mr. DURANLEAU: I can promise the hon. gentleman that I will personally look over the last report and inquire into the matter.

Item agreed to.

Miscellaneous services relating to navigation and shipping, $37,000.

Mr. CASGRAIN: What are the services for which this amount is being asked?

Mr. DURANLEAU: The amount voted last year was $53,000, reduced this year by $16,000. The vote is made up as follows: Examination of masters and mates, $15,760; navigation schools, $6,240; for the temporary relief of distressed seamen, $2,000; investigation into wrecks, $5,000; registration of shipping, $2,000; removal of obstructions in navigable waters, $2,000; expenses on live stock shipments, $4,000.

Item agreed to.

Amount required to reimburse the British Board of Trade for expenditures incurred in the relief of distressed Canadian seamen not authorized by the Canada Shipping Act, $300.

Mr. LAPOINTE: Has the minister any better information to give as to what a distressed Canadian seaman is than was given by the Minister of Labour?

Mr. DURANLEAU: I think the Minister of Labour gave a fair definition to my hon. friend.

Mr. LAPOINTE: Not to me; he did not say anything to me.

Mr. DURANLEAU: The hon. member for Quebec East (Mr. Lapointe) came to the rescue of the hon. member for Témiscouata.

Mr. LAPOINTE: That hon. gentleman was not in any need of being rescued; I think the distressed seaman at the time was the minister.

Item agreed to.

To provide subsidies for wrecking plants—Quebec and British Columbia, $40,000.

Mr. NEILL: I notice that this vote has been reduced almost fifty per cent, and knowing the minister's desire to be fair I am quite sure that most of this cut has been taken off Quebec rather than from the Pacific ocean. I should like the details, and particularly information as to where the paring has been done—I mean, what services.

Mr. DURANLEAU: The cut was from the Quebec Salvage Company grant.

Sir EUGENE FISET: What amount has been deducted from that subsidy so far as Quebec is concerned?

Mr. DURANLEAU: The department was under contract with the Quebec Salvage Company—

Sir EUGENE FISET: With the Canadian Pacific Railway.

Mr. DURANLEAU: —and is still under contract until the first of May. It is the Quebec Salvage Company.

Mr. LAPOINTE: Canada Steamships.

Mr. DURANLEAU: Well, I know that the Canadian Pacific Railway is greatly interested, and I am not sure whether to-day it does not own the majority of the shares. I can say, however, that the majority of the shares are to-day in the hands of Canadians and Canadian firms. It was suggested last year, when my estimates came before the committee, that the majority of the shares of that company were American, but that is not the case to-day. The contract expires on May 1. With the Pacific Coast Salvage Company we have a ten year contract expiring in 1935, so that we have made no change in the subsidy.

Mr. NEILL: That is the explanation.

Mr. DURANLEAU: As to the Quebec Salvage Company, we had to cut down expenses here and accordingly we intimated to the company that we could not grant the same amount after May 1 next.

Sir EUGENE FISET: Do I understand that the subsidy will not be renewed after May 1?

Mr. DURANLEAU: It will be renewed in the sum of $30,000.

Sir EUGENE FISET: Has the minister received any applications from other wrecking companies for similar subsidies, and have those applications been refused?

Mr. DURANLEAU: I cannot say that applications for grants have been received, but we have received communications from the Maritime Foundation and Wrecking Company, which operates a plant at Rimouski. They have asked that a grant be not given to any other company in order that they may be able to compete. After due consideration we came to the conclusion that we should reduce the grant to the other company, but we could not cut it out entirely.

Sir EUGENE FISET: The minister has received from the Maritime Foundation and Wrecking Company a statement to the effect that they are able to carry on all the wrecking work in the gulf of St. Lawrence right up to Rimouski without receiving any grant. Notwithstanding this fact, he is granting a subsidy to cover that part of the river lying between Quebec and Rimouski, which subsidy has been paid to the company for the past twelve or fifteen years.

Mr. DURANLEAU: We have had proof that this company is operating its plant at a loss and under the circumstances we thought it only fair to maintain the grant.

Sir EUGENE FISET: Will the minister give the Maritime Foundation and Wrecking Company of Rimouski the same consideration given to the Quebec and British Columbia wrecking companies? If a grant of $30,000 is to be paid to the other company, does the minister not think that this company should receive some consideration? This company paid for half the cost of construction of the wharf and necessary dredging work at Rimouski, something which no company has ever done before. If this grant is to be renewed on May 1, does the minister not think that in all fairness it should be divided between the two companies? I think this is a very moderate request to make and I hope the minister will give it due consideration.

Mr. DURANLEAU: The Quebec Salvage Company has always given first class service.

Sir EUGENE FISET: So has the Foundation company.

Mr. DURANLEAU: We have no assurance that that company always will maintain a plant for salvage purposes. We must all realize the importance of being assured that first class salvage service will always be available on the St. Lawrence. The Foundation company organized its plant at Rimouski one or two years ago; this was not done at the request of the department as we were perfectly satisfied with the service given by the Quebec Salvage Company. If another company opens up a plant, is it fair that the grant should be divided? Suppose a third company starts to operate on the St. Lawrence, would it be fair to divide the grant by three? Suppose a fourth company opened up, would it be fair to divide it by four? We must be assured that we will always have a first class salvage organization on the St. Lawrence, and that is why the grant has been made up to date and that is why we have come to the conclusion that we should maintain that grant to the extent of $30,000.

Sir EUGENE FISET: I do not think the minister is being exactly fair to the Foundation company. He should remember that two years ago when the Department of Public Works agreed to construct the wharf at Rimouski, this company was compelled to pay half the cost of that work. They paid their bills and they paid for the dredging at Rimouski. They were assured that they would be given fair and due consideration and they have simply made a protest to the department that as far as their company was concerned it was unfair to give a substantial subsidy to a company that had received a subsidy for a great number of years. The Quebec company has hardly been operating as far as the lower St. Lawrence is concerned. The company at Rimouski is operating the most powerful tug on the lower St. Lawrence and their assistance has been called for by the Quebec Salvage Company. To all intents and purposes the Foundation company is doing all the work down there, and the arguments advanced by the minister hardly apply as far as the Maritime Foundation and Wrecking Company is concerned or as far as the city of Rimouski is concerned. I refer particularly to the distribution of coal for the Canadian National Railways in the section between Moncton and Levis, and also to the distribution of the fertilizers which have been accumulating at Rimouski for the last few years. In view of the service which the Foundation company has given, in view of the assistance given in the construction of the wharf and the reduction of our unemployed, I ask the minister to give further consideration to this matter. I ask him not to continue to give the reasons he has given for refusing this request. When this contract is to be renewed I ask him to take all these facts into consideration and divide the grant which he proposes to give to the other company.

Mr. DURANLEAU: I do not want my hon. friend to understand me as criticizing the operations of the Foundation company; that company is a very reliable one and is doing a large business in Canada. As a matter of fact, it carried out undertakings at St. John, New Brunswick, both for the department and for the harbour commission; it took a large part in the work of reconstruction after the fire which occurred last year. The department is on the best of terms with this company but I do not think it would be fair at the present time to divide the grant between the two companies. This company has been operating only for a year or two and I think it should be allowed to continue for another year or two before we either wipe out all grants or decide to divide them between the two companies.

Sir EUGENE FISET: It may be quite true that this company has been operating at Rimouski only for a couple of years, but it had been operating in other parts of the lower St. Lawrence for many years before that.

Mr. DURANLEAU: In Newfoundland.

Sir EUGENE FISET: The minister will admit that as far as emergency calls are concerned, the fact that this company is located at the entrance to the gulf enables them to render a better service than a company operating out of Quebec. I ask the minister to give this company an equal chance, or at least cut out all subsidies. I realize that he has given this company extremely fair consideration in the past, but I am talking for the city of Rimouski. I am going to try to get everything possible for Rimouski, notwithstanding what the minister may say.

Mr. DUFF: Do I understand correctly that this contract will expire on May 1, at which time a new contract will be entered into?

Mr. DURANLEAU: Yes.

Mr. DUFF: In these days when we are trying to economize in every way, would it not be a good idea to call for tenders for this work? That is done in the Trade and

Commerce department where they are subsidizing different steamship companies. I would suggest to the minister that instead of handing over this contract again to the Quebec Salvage Company he call for tenders and see which company is willing to do the work the cheapest. As the minister said a moment ago, this new salvage company may not stay in the business for very many years and therefore in calling for tenders he need have no fear that the department would not be properly protected. I would suggest that he call for tenders for a contract period of ten years and let the firms on the St. Lawrence tender for this work.

Mr. DURANLEAU: My intention was not to enter into any contract for the time being but rather to get along with this vote this year, and then we can see what we can do afterwards. The plea of my hon. friend from Rimouski is so strong that I shall take it under consideration. If the committee will allow this item to pass we will consider the advisability of dividing the grant.

Mr. LAPOINTE: Perhaps a new deputy minister will consider it.

Mr. PLUNKETT: What is the actual division as between Quebec and British Columbia under this vote?

Mr. DURANLEAU: As I told the committee a moment ago, we are under contract with the Pacific Coast Salvage Company for another three years. They receive a grant of $10,000. If the finances of the country had permitted it we would perhaps have increased the grant to the Pacific Coast Salvage Company by five or ten thousand dollars, but as we are reducing the grants as a whole by over thirty thousand dollars, we could not make any increase to that company this year.

Mr. SHORT: Would the minister explain why it is necessary to give a grant to the salvage companies in the St. Lawrence and on the British Columbia coast? We have salvage companies operating in the maritime provinces without any subsidy at all, some of them profitably and others unprofitably, but they take their chance. There is perhaps not quite as much shipping in the maritime provinces, but there is still a great deal of shipping done there, and I would think that our salvage companies are entitled to the same consideration as those on the St. Lawrence and in British Columbia.

Mr. NEILL: But we must remember that the maritimes get $160,000 of a fishing grant to which they are not entitled.

Mr. SHORT: That is only your opinion.

Mr. DURANLEAU: I do not like to repeat what I have already said to the committee, but it is of the greatest importance that we have in the St. Lawrence and on the Pacific coast first class salvage equipment for the protection of life and to give an efficient salvage service. Those companies which have been engaged in the salvage business in the St. Lawrence and on the Pacific coast in the past have been operating at great loss, and as it is essential to have first-class salvage equipment always in operation we thought fit to give this grant to the St. Lawrence and British Columbia companies. The salvage companies in the maritime provinces are in a different position because they operate all the year round, and the companies there are doing a good business, but on the St. Lawrence the salvage companies are losing money all the time.

Item agreed to.

Life saving service, including rewards for saving life, $50,000.

Mr. NEILL: This vote for life saving shows a cut of 33 per cent, and the ten per cent cut in wages would not account for ten per cent of this total cut because, of course, there are other expenses than wages. The point I wish to inquire about is this: So far as the Pacific coast is concerned, and I presume the same is true of the eastern coast, this life saving service is what I would call a specific one. That is, they have a steamer during certain months of the year, and they maintain two life boats equipped complete for service in the winter time but cut down to a skeleton staff in the summer. If you are going to reduce this vote by 33 per cent, are you going to cut down the personnel on these boats, which only have a meagre equipment now? Or how are you going to bring about this 33 per cent reduction, of which less than one-third is accounted for by the cut in wages?

Mr. DURANLEAU: We have had to exercise strict economy this year, and the following economies have been effected in this service:

1. Winter crew of four extra men, each station, eliminated from Bamfield and Clayoquot, leaving six men each station—regular crew.
2. Two boatmen eliminated from Bay View and Cheticamp, leaving six men each station—regular crew.
3. West coast land patrol reduced to minimum cost, allowing no reserve.
4. Provision for wreck pay and rewards reduced to a minimum.

Mr. NEILL: I am afraid that this is an example of that economy which is expensive in the long run. It is all very well to economize where the economy involves at most only inconvenience. For instance, nowadays we sometimes ring up a $4,000 man in a department and a $2,400 man takes several minutes time getting the $4,000 man. Then the $4,000 man leaves his office unattended and walks along a corridor to the phone and communicates with the person who is calling him, and perhaps that process is repeated again a couple of minutes later—this in order to save a phone. I do not think that is true economy, but at most it involves only inconvenience and delay. But to exercise economy in a vote of this kind strikes at the very root of the matter. It is economizing at the possible expense of human lives. I know that west coast like a book, and these life boats are not fit to be taken out in winter with only a skeleton crew. The minister mentioned six men: but one must always be left at home as a watchman, and so forth. It has been found from experience that to man these boats adequately, and they are pretty big boats, so that they can put out to sea and reach the scene of a wreck, you must maintain more than six men in the winter time. I deprecate very much the suggestion of economizing in that way. I have not raised my voice in the house this session to protest against any other economy, painful and awkward as it has been in connection with many of the estimates. I am of opinion that such a change would imperil the lives of the crew and the usefulness of their operations. Of those six men one must constantly attend to the engine, another must steer, and another be in charge of the remaining three. Those four men would have to do the work of taking the people from a wreck while perhaps holding the boat off rocks, and so forth. If the minister has made his decision I can do no more than enter my protest.

At this time I should like to mention another point, which I had intended to raise during the discussion on the bill to reduce by ten per cent the salaries of civil servants. These wretchedly paid men receive only $65 per month. They are not stenographers here in Ottawa receiving only $65 per month, but they are men who maintain families and if called upon have to go out and risk their lives. In fact they must do that, or they would be of no use; and for those services they receive only $65 per month. In addition they receive $25 for board allowance making their total remuneration $90 per month. The $25 allowance however is not as beneficial to them as it would be to some one working in Ottawa, because those men are married and must maintain their homes, and the $25 just pays for their food on board ship. Therefore they are receiving considerably less remuneration than some workmen on shore. Of the $90 per month only $65 is available, because the $25 has to go to their mess.

Under the bill now going through this house stipulating a cut of ten per cent, these men receiving $1,080 per year will be cut $108, because they are not eligible for superannuation. They would like to have that benefit, but through the operation of some legal quirk they are not allowed to qualify. A case has been decided to that effect. If they were paying into a superannuation fund, by the provisions of the bill now going through the house the government would pay their superannuation allowances and they would be receiving a cut on their salaries of only five per cent, or $54. However, because they are not eligible for superannuation—because if they were to drown to-morrow their widows and children would receive no payment from the superannuation fund—they are to be taxed, forsooth, ten per cent. The cut is levied on the full salary of $1,080, whereas in my view it should be only five per cent and based on the monthly salary of $65, or the yearly salary of $780. Surely in such cases special consideration should be given. They are receiving less than $1,200 per year, and whether or not they are paying into a superannuation fund, they should not be docked more than five per cent.

As the bill reads to-day—and undoubtedly it will pass in its present form—these men receiving the miserable salary of $65 per month, or at the very most $90 per month, are going to be docked ten per cent simply because through an interpretation of the law they are not eligible for superannuation. Can we expect those men to be enthusiastic about their work when they see men receiving salaries greater than theirs docked only five per cent, and when they realize that from the beggarly renumeration I have mentioned will be cut ten per cent. I hope the minister will take steps to consider this injustice, and at least make an effort to arrange that these men be deducted only five per cent, the same as they would have been had they been paying into a superannuation fund. That is as good an illustration as I can think of; these men who are poorly paid and receiving only $1,080 must submit to a ten per cent cut, whereas other men receiving superannuation benefits are docked only five per cent. The fact is that they are really receiving only $780, and

from that amount will be deducted ten per cent on $1,080. I am quite sure the minister will realize the justice of my suggestions and that he will do all within his power to get—I am not asking at present for better remuneration, although they certainly ought to have it—special consideration of their case whereby the cut may be reduced from ten per cent to five per cent.

Mr. SHORT: Mr. Chairman, I do not often agree with the hon. member for Comox-Alberni, but in some of the suggestions he has made to-day I concur. I have noticed that the minister intends to reduce by two a staff in my constituency. A few days ago I brought to his attention and to the attention of his department the fact that it was absolutely essential the crew should remain as it is. A reduction would not be in the best interests of the work that particular station is performing; in fact with a smaller crew, they could not possibly function. I trust the minister will comply with the request I have made to the effect that no reduction take place in the crew.

Mr. DURANLEAU: Mr. Chairman, I can tell the two gentlemen who have just taken their seats that the matters they have mentioned will be considered. I note that the Pacific coast life saving service is getting $20,400 out of the $50,000 vote, and with that amount I hope to be able to increase the crews of the boats I have just mentioned. We may consider decreasing the crews at other points, but to give proper crews to those boats.

Mr. NEILL: Might I suggest that the minister give consideration to the five per cent I mentioned.

Mr. DURANLEAU: We will consider the matter. The same point was brought to my attention by the hon. member for Digby-Annapolis. I told him, and I now tell my hon. friend from Comox-Alberni that we will consider the question of increasing the crews at those stations.

Mr. DUFF: I listened with a great deal of interest to the remarks of the hon. member for Comox-Alberni. I happened to be in the house a few nights ago when an hon. member on this side of the house moved an amendment to the bill which deals with the horizontal reduction of ten per cent on salaries. Unless my memory is defective I recollect the hon. member for Comox-Alberni voted for the horizontal reduction of ten per cent on the salary of every civil servant, although to-day he seems to be advocating a graduated cut. I am entirely in agreement with his present attitude; in fact I go farther, and say that I am opposed to any reduction on any civil servant's salary. I am surprised indeed—perhaps I should be gratified—to learn to-day that for some reason or other my hon. friend has had a change of heart.

Mr. LAPOINTE: He has seen the light.

Mr. DUFF: He now comes forward and asks for a reduction of only five per cent from the salaries of men who are performing a very great service to this country, the members of life saving crews. I agree entirely that there should be no reduction of their salaries; instead of a five per cent reduction there should be none whatever.

I agree with him that it would not be good policy on the part of the department to reduce the number of men on those crews from ten to six. The boats are very large; they have to be launched in very rough weather and more than six men are required to handle them. I should like to know how the minister arrived at this particular reduction; which men has he decided to leave off the crews? Will he discharge the whole ten men, and then have the Civil Service Commission appoint six others? It would be interesting to know the plan adopted.

Mr. NEILL: Mr. Chairman, while the minister is preparing an answer, I should like to reply to my hon. friend's remarks in reference to myself. I observe with pain he does not know that those boatmen are not appointed by the Civil Service Commission, but by political influence.

Mr. DUFF: I did not say they were so appointed; I asked if they were.

Mr. NEILL: I am surprised that with his long attendance in this house he does not know it. I was glad to see that while he started his remarks in a spirit of modified antagonism, later on he agreed thoroughly with me. As regards how I voted the other day, though it is foreign to the discussion now, I suppose I may be allowed to explain my position. I voted for the second reading of the bill to cut my salary and salaries of civil servants ten per cent, and I am prepared to go to my constituents and defend that action. That was the principle of the bill. But at the very moment when I so voted I had in my desk, written in my own hand, an amendment to move in committee to section three providing against the condition I have been describing, and asking that men

drawing less than $1,200 should not be docked anything at all, or at most not more than five per cent. I had provided for dealing with just exactly the case I have been describing this afternoon. So I do not think I am guilty of having changed my attitude. However, that is such a trifling detail that I need not waste the time of the house on it. I am glad to get support along the line the hon. member suggested for not reducing the men on the boats. When a minister says he will look into it and endeavour to do something, we generally suppose he is going to do something, so I must for the time being accept his promise.

Mr. GIROUARD (Translation): Mr. Chairman, would the hon. minister be so kind as to inform us whether there exists a life saving service in the province of Quebec and, if so, in what localities.

Mr. DURANLEAU (Translation): There is no life saving service in the province of Quebec, this service exists however in the provinces of British Columbia, Ontario, New Brunswick and Prince Edward Island.

Mr. DUFF: Will the minister please reply to my question with regard to whether the boat crews have been reduced?

Mr. DURANLEAU: I cannot say offhand whether we have come to the conclusion to reduce the crews on the eastern coast. In my answer I was dealing with the crews on the western coast. But I will also look into the situation on the eastern coast. If we decide we cannot reduce the crews, then we shall have to cut expenses in some other direction, but we will consider the matter.

Mr. POULIOT: Will the marine insurance rates be higher on account of the fact that item 140 has been reduced?

Mr. DURANLEAU: I think the rates will be the same.

Mr. POULIOT: Did the minister have any communication with Lloyd's?

Mr. DURANLEAU: We have had no communication with Lloyd's, but on the other hand we never gave them any undertaking that we would maintain the estimate at $1,860,000. I can assure my hon. friend that the cut will not curtail the efficiency of the service. We do not anticipate any increase in the rates of marine insurance.

Item agreed to.

[Mr. Neill.]

Hydrographic and tidal and current surveys, and to provide for the maintenance and repair of hydrographic steamers, $468,000.

Mr. NEILL: Will this allow for commissioning the Lillooet on the west coast?

Mr. DURANLEAU: Yes, sir.

Sir EUGENE FISET: Does that provide also for the Acadia?

Mr. DURANLEAU: Yes.

Mr. POULIOT: Two or three years ago there was a very distinguished specialist in the hydrographic survey; I refer to Mr. Savary. He was a very efficient public servant, but he accepted a position in the provincial service of Quebec because his salary in the federal service was too low. If there is a decrease in the salaries of the specialists who are making hydrographic maps, does not the minister fear that some of them may be attracted elsewhere? If they leave the service would he not find it difficult to replace them?

Mr. DURANLEAU: I was not at the head of the department when Mr. Savary accepted a position in the provincial service of Quebec, but I am sorry that we have lost the services of such an expert. At the present time we have first-class men attending to this work, and they are so devoted to the department and so patriotic that I do not think they would ever dream of resigning on account of the cut.

Mr. POULIOT: It is not a question of patriotism, Mr. Chairman, it is a question of necessity. My remarks were not a criticism of those employees.

Mr. REID: Are the hydrographic surveys regarding the depth of channel, tidal and other data with respect to the Fraser river made available to the public?

Mr. DURANLEAU: I think the same question was put to me last year by my hon. friend. On that occasion I told him that this part of the work belongs to the Department of Public Works, not to the marine department.

Mr. REID: Is it done every year?

Mr. DURANLEAU: Not by the Marine department, but by the Department of Public Works.

Mr. NEILL: Does not Mr. Parizeau furnish plans as a result of the operations of the Lillooet? I am glad to pay tribute to the excellent work he and his assistants do.

They chart a certain area, and the maps are issued to navigators and others who need them. I am only too pleased to testify to the usefulness of their work.

Mr. REID: Complaint is made that it is very difficult to obtain such data in regard to the Fraser river.

Mr. DURANLEAU: The Marine department attends to inlet, bay and ocean surveys, not to the survey of rivers.

Mr. GIROUARD (Translation): Will the hon. minister inform us what work has been accomplished by his department in connection with the hydrographic survey in the gulf of St. Lawrence?

Mr. DURANLEAU (Translation): I cannot say exactly how far the work has been proceeded with. My information is that the department will continue this year the hydrographic survey of the gulf on the north shore. The Acadia will proceed to that part of the gulf at the opening of navigation in order to carry on the hydrographic work of last year.

Mr. GIROUARD (Translation): What about the south shore?

Mr. DURANLEAU (Translation): We shall begin by the north shore; it is possible that we may proceed later on with the hydrographic survey of the south shore.

Mr. POULIOT (Translation): How many boats perform this hydrographic survey?

Mr. DURANLEAU (Translation): On the Atlantic coast, we have the Acadia and the Cartier. On the Pacific coast, the Lillooët and two smaller boats, the Pender and Somass. As the committee is aware, we are at present building, at Collingwood, a boat which will also be utilized in the hydrographic service. This quite up to date boat will be launched at an early date and will carry out, I feel certain, efficient and considerable work. I cannot say for certain whether it will undertake hydrographic work this year, but assuredly next year.

Mr. POULIOT (Translation): Have we any boat performing hydrographic work on the Canadian side of the Great lakes?

Mr. DURANLEAU (Translation): There is no hydrographic work being done, at present, on the Great lakes.

Mr. POULIOT: (Translation): Are there marine charts to indicate the tides?

Mr. DURANLEAU (Translation): Yes.

Mr. POULIOT (Translation): For the Great lakes?

Mr. DURANLEAU (Translation): We have all this information. Hydrographic surveys have already been carried out on the Great lakes and these charts are at our disposal.

Mr. POULIOT (Translation): When was the last complete hydrographic chart of the St. Lawrence river and gulf published?

Mr. DURANLEAU (Translation): I think that it was some years past that the last hydrographic chart of the St. Lawrence was published, however, as the work progresses, the department makes the necessary corrections.

Mr. POULIOT (Translation): Does the department keep track of the erosion, the silt piled up by the currents, and all such matters? I understand that the geographic maps keep track of them.

Mr. DURANLEAU (Translation): They must be kept track of since it is for that purpose that charts are made.

Mr. POULIOT (Translation): What is the sale price of these charts?

Mr. DURANLEAU (Translation): They cost very little. Should my hon. friend wish to obtain one, he can do so at very little cost and even gratuitously, I think, by addressing his request to the Department of Marine.

Sir EUGENE FISET: I wonder if the minister would tell me if the survey of the channel between the wharf at Rimouski and deep water has been made by the hydrographic survey and, if so, if he could give me an idea of the depth of that deep water channel.

Mr. DURANLEAU: I regret that I have not this information with me.

Sir EUGENE FISET: I wonder if the minister would be good enough to have one of his officials obtain that information for me, and I will tell the minister why I ask. Last year the report was circulated all through the press of Canada that the channel was only seven feet deep, though three years ago it was dredged to a depth of 16 feet. Unfortunately it has filled in to a certain extent, and last year I asked the minister if he would be kind enough to let us have the services of one of the departmental dredges in order to have that channel maintained at a proper depth.

What I am anxious to know is this: Has the map of the channel been corrected sufficiently to enable navigators to know exactly what is the actual depth of the channel between deep water and the wharf itself?

Along the wharf at Rimouski the water is 22 feet deep; the channel was to be the same depth, but it was dredged to only 16 feet and consequently some of the big boats belonging to the local trading people dare not come to Rimouski, since their navigators are under the impression that the channel is only 7 or 9 feet deep. I wish the minister would do me the kindness to ascertain the exact condition of the channel and let it be made public, either through the press or by circulation of the departmental report, so that the local navigators will be made fully aware of the depth of the channel, in order to give Rimouski harbour a proper chance.

Mr. DURANLEAU: I will do with pleasure what my hon. friend requests.

Mr. POULIOT: Since the Acadia and the Cartier are in the St. Lawrence service would the minister tell me who supplies the coal for these boats and who supplies the food and clothing for the crews. I should like to know if tenders are called for and, if so, how they are called and what time is given in which to tender.

Mr. DURANLEAU: I cannot say offhand where the coal is bought. As to the food, on those boats we have employees who are under contract to supply food to the crew at so much a day.

Sir EUGENE FISET: Is not the Acadia an oil burner?

Mr. DURANLEAU: No, there is no oil used on these boats.

Sir EUGENE FISET: Is the minister sure the Acadia is not an oil burner?

Mr. DURANLEAU: I am not sure whether it is oil or coal, but the provisions are supplied under contract.

Mr. POULIOT: What about the uniforms for the crews?

Mr. DURANLEAU: We do not supply uniforms for these crews. I am sure we did not buy any uniforms this year.

Item agreed to.

To provide for the construction of a new steamer for hydrographic surveys, $147,000.

Mr. NEILL: Is this boat for use on the Pacific coast?

Mr. DURANLEAU: Yes.

Mr. NEILL: Will this sum complete it?

Mr. DURANLEAU: Yes.

[Sir Eugène Fiset.]

Mr. NEILL: When will it be ready for operation?

Mr. DURANLEAU: I think the boat will be launched next week at Collingwood.

Mr. LAPOINTE: Will the minister make a speech on that occasion?

Mr. DURANLEAU: Unfortunately I cannot get away; we are too busy here.

Mr. NEILL: Is it a coal burner?

Mr. DURANLEAU: Yes. The hon. member will remember that last year the matter was brought up in the house, and at the request of the hon. gentleman, supported by the hon. member for Nanaimo (Mr. Dickie), I had the specifications modified. If I remember correctly I had to have the boat lengthened by 14 feet, and I had to have a double bottom built instead of a single bottom, in order to encourage our Canadian mines.

Mr. NEILL: I congratulate the minister on that action. Now may I put in a plea with regard to the name of this boat. It is to be used on the Pacific coast, and it will be largely occupied with work on the west coast of Vancouver island. So it would seem appropriate that in some way its name should symbolize this connection with that coast. I am not suggesting that it should be called after my wife or anything like that; I have no ambition to immortalize my name in that way, but I think it would be appropriate to give the vessel some name thoroughly typical of the historical associations of the west coast.

I would suggest the name "Alberni," which is the name of the largest town on that coast. This place was named after Count Alberni, who was what we would call to-day the navigating lieutenant of the fleet of Quadra, the Spanish commander who occupied the west coast. Later, by means of a treaty consummated at Nootka with the British officer, Captain Vancouver, the Spanish commander agreed to evacuate the whole of that territory, and that was how it came into possession of the British crown. So I think the name "Alberni" would be thoroughly symbolical of this historical occurrence. The Canadian Pacific Railway, which operates coastal boats in those waters, has followed that idea by calling its latest steamship after an Indian princess who gained fame in connection with the treaty signed at Nootka, when the British captain and the Spanish commander met. I would respectfully urge upon the minister that he consider

a name like that, which would be far more appropriate than the name of some politician who passes like a shadow that is gone with the break of day.

Mr. PLUNKETT: When the minister is considering a choice of names, I think "Independent" might be symbolical; it might represent the hon. member for Comox-Alberni in his political aspirations which we have seen demonstrated so often in this house. There is a question I want to ask, however. Is the boat completely furnished and equipped, or will the furnishings be bought on the Pacific coast?

Mr. DURANLEAU: Answering first the question asked by the hon. member for Comox-Alberni, I am sorry that his suggestion was not brought forward sooner, because the ship has been named.

Mr. NEILL: Before being launched?

Mr. DURANLEAU: Yes; we had to name the ship about a month or two ago, before launching her. The name we chose was that of the man who had been in charge of the hydrographic department in Ottawa for years. He had been a very devoted servant of the department, over which he had had charge for a number of years, and he was an outstanding hydrographer. I refer to the late Mr. William J. Stewart. We thought, after mature consideration, that we should christen the boat Stewart, in recognition of the services of a faithful public servant who died about two years ago.

Mr. NEILL: This is the first time in a rather long experience that I have heard of a child having been christened before it was born. It was really premature. Suppose it had turned out to be of a different sex from what was anticipated? Until the actual launching takes place, and some fair lady breaks a bottle of wine on the ship, the name should be subject to revision. I say this with all due respect to the memory of Mr. Stewart, whom I have heard spoken of casually as a man that had been of great service in his own department. But Mr. Stewart had no associations, either personal or geographical, with the area in which the boat operates and I submit that it would be more appropriate, if a boat is to be named after him, that it should be a boat navigating on the Atlantic coast, where he was more in touch with conditions and where the people would recognize the significance of the name. The first thing the minister knows, people on the Pacific coast will be supposing that this boat was named after the ex-Minister of the Interior (Mr. Stewart), which I am sure is not his intention or ambition. I would submit, if it is not too late yet, that the name I have suggested or some similar name would be far more appropriate. I leave without any comment or reply the witticism of the hon. member for Victoria with regard to the name he suggests.

Mr. DURANLEAU: Perhaps I did not express myself correctly when I said that the boat had been named. What I wanted to convey was that we had to cut the name into the frame of the boat, and when the time came to have this done my attention was called to the necessity of fixing upon a name. I had a conference with my officials and the matter was discussed thoroughly, and we decided upon the name Stewart, which was accordingly cut into the frame of the boat. The boat will be christened in due course. As regards the question asked by the hon. member for Victoria, the boat must be delivered on the Pacific coast from Collingwood, which means that she must be equipped before she leaves that point.

Mr. LAPOINTE: What will be the total cost of the boat?

Mr. DURANLEAU: Around $700,000.

Mr. LAPOINTE: Were tenders called for?

Mr. DURANLEAU: To be exact, the amount is $616,800.

Mr. LAPOINTE: How many tenders were received?

Mr. DURANLEAU: Eight or ten, or probably more.

Mr. LAPOINTE: Was that the lowest?

Mr. DURANLEAU: We had tenders from all part of the dominion—from Quebec, from the maritime provinces, from British Columbia and from Ontario.

Sir EUGENE FISET: What is the tonnage?

Mr. DURANLEAU: Unfortunately I have everything but the tonnage. The length is 214 feet; breadth, 36 feet; depth, 23·6; horsepower, 1,300; speed, 12 knots.

Mr. NEILL: Horse-power 1,300?

Mr. DURANLEAU: The horse-power is 1,300 indicated.

Mr. NEILL: How does it compare with the Lillooet in size?

Mr. DURANLEAU: I do not know, but it will be an up to date boat for hydrographic purposes.

Mr. NEILL: If it started out with the right name it would be all right.

Mr. POULIOT: Perhaps before naming the boat the minister read that most eloquent eulogy of the dead by Pericles, as recorded in Thucydides, that the memory of those who have died for their country shall not be forgotten. But there is something else that should not be forgotten: we should not forget the living. We should see to it that the living are well taken care of, and for this reason I would ask the minister to be careful about curtailing the number of employees in his department who are still alive, much as I admire his respect for the dead.

Mr. HEENAN: What was the lowest tender received?

Mr. DURANLEAU: The contract price was $616,800.

Mr. HEENAN: Was that the lowest tender?

Mr. DURANLEAU: That was the lowest.

Mr. HEENAN: And the next one?

Mr. DURANLEAU: The second lowest was about $40,000 or $50,000 more.

Mr. HEENAN: In letting these contracts for ships of this kind, there is one thing that should be taken into consideration before the minister recommends to the government the acceptance of a tender. The minister should take into consideration the difference in the wages paid. I understand that this ship is intended to ply in Pacific waters and tenders for its construction were called for and the lowest tender accepted. If there is only about $50,000 difference between the lowest and the next highest tender, I think it would be safe to say that the difference between wages paid in British Columbia shipyards and those paid in Collingwood would amount to more than $50,000. I am not strongly in favour of giving a contract to the lowest tenderer when it is manifest that the difference will be taken out of the labouring man. This practice is conducive to the payment of low wages, and is against the very basis of the fair wage policy of the federal government. Contractors should not be permitted to accept contracts on the cut-throat method, as we used to call it; they should not be allowed to make a low tender and then take it out of the pockets of the working man. I am quite satisfied that if the difference in wages paid on the Pacific coast had been taken into account, there would be found to be a difference of more than $50,000—perhaps even $100,000—in the total payroll. I think the minister should look into this matter to see that no contracts are awarded to contractors, manufacturers or construction concerns who pay the lowest wages.

Mr. HANSON (Skeena): Was a tender received from the Prince Rupert Dry Dock Company?

Mr. DURANLEAU: If my memory serves me aright, one was received but it was for a very high figure. I can give my hon. friend definite information in this regard if he so desires.

Mr. HANSON (Skeena): Was the fact that this company is owned and operated by the government taken into consideration? When future ships are to be built, especially the Pacific coast service, I think this dry dock should be considered as it is operating on the Pacific coast and is subsidized by the government.

Mr. DURANLEAU: I shall be glad to bear that in mind.

Mr. HEENAN: Has the minister any information as to the wages paid to the various craftsmen employed by the Collingwood shipyard as compared with wages paid in British Columbia shipyards?

Mr. DURANLEAU: I have not that information before me. I may tell my hon. friend that the Collingwood shipyard has subscribed to the fair wage clause. The company has been in conference with the then Minister of Labour (Senator Robertson) as to the rates of wages to be paid for the construction of this ship. We have always understood that we were obliged to accept the lowest tender, and that was the one received from the Collingwood shipyard.

Mr. HEENAN: The prevailing rates of wages at Collingwood might be 25 per cent lower than the rates paid on the Pacific coast, and consequently the workmen in British Columbia shipyards might be denied employment if this fact was not taken into consideration. When a ship is to be built for Pacific waters the contract for its construction should not be given to a shipyard in other parts of the country where a lower rate of wages prevails.

Mr. HANSON (Skeena): Especially when the government has a plant of its own.

Item agreed to.

Mr. POULIOT: Mr. Chairman, before the next item is called, may I ask the minister if he will agree to having items numbers 148 and 149 considered together, as they both relate to radio service?

Mr. DURANLEAU: I have no objection.

Mr. POULIOT: I think it would facilitate discussion.

Radio service, to provide for the construction and maintenance of radio ship to shore stations and the general administration of the provisions of the Radio Act and regulations throughout the Dominion, $716,000.

Radio service, to provide for the general improvement of reception conditions to licensed broadcast listeners, $180,400.

Mr. POULIOT: Mr. Chairman, there are hundreds of thousands of radio fans in this country, and this year the cost of a radio licence has been increased from one to two dollars. These radio listeners are complaining about the fact that the service mentioned in item 149 is not what it should be. People purchase radios, some of them very expensive, and they are entitled to good service. The minister knows that the least trouble is a great handicap to radio reception, and that is why it was decided by the previous administration to organize a staff of part-time inspectors. Most of the present day radio sets are batteryless, they are connected to the lighting current and when trouble occurs in one machine, other machines on the same current feel the effects. These inspectors have special apparatus and they go throughout the community in an effort to eliminate trouble for the listeners. The licence fee has been increased, and of that we do not complain but on behalf of all radio listeners in Canada I would urge the minister to see that the number of radio inspectors is not reduced.

There is another matter—I have no personal interest in it beyond that of any other radio listener—and that is that those who will be working under this vote should be men well qualified for the work. In my home town the chief electrician of the city is doing this inspection work and doing it very well. He is provided with certain apparatus to help him locate troubles, and he is doing very well in eliminating trouble and improving reception conditions. I would ask the minister if it is his intention to retain the men who are now performing this work efficiently to the great benefit of all radio fans in the country.

Mr. DURANLEAU: The hon. member's remarks are quite in order. The licence fee has been increased from one dollar to two dollars. I agree with my hon. friend that the owners of radio sets who are paying a licence fee are entitled to first-class service, and my department will attempt to give the best service possible. When the estimates were brought before the house, I think, although I am not quite sure, that the licence fee had not been increased. I cannot make any definite promise to the committee, but if within a few days I come to the conclusion that the amount I am now asking the committee to vote is not sufficient to give a first-class service, I shall see that a certain amount is inserted in the supplementary estimates.

Mr. LAPOINTE: It will have to be approved by the Prime Minister.

Mr. POULIOT: I thank the minister for his kind remarks. I would point out that the number of those inspectors is small, there being only one I believe in each town, and if the number of inspectors is reduced, some of the towns in this country, which ones we do not know, will suffer. I have been told that the dispensing with the services of thirty-seven of these inspectors is under consideration. The Canadian people do not complain so much of paying a licence fee of two dollars instead of one dollar, but I do submit that they are entitled to receive just as good service when they are paying a two dollar fee as when they were paying one dollar. If there is not a good inspection service, interference may be continuous, with no one to stop it, and the least little trouble may sometimes cause the reception to be such that a radio is not worth listening to. I urge the minister therefore to reconsider this matter seriously. If at the time his estimate was prepared it had not been decided to increase the licence fee, I would suggest that now that the fee has been increased, conditions are different and the decision with respect to this inspection service should be different, in the interests of the radio listeners of this country.

Mr. SPEAKMAN: I have been asked by a number of radio users in my province to say something of the same nature as has just been said. Throughout parts at least of the province of Alberta, and particularly in the smaller towns and villages, where the use of radio has become very extensive, people have urged, and have asked me to place the matter before the minister, that their complaints as to interference are not receiving the attention they should. They had no objection to paying a licence fee, even a higher fee than had been charged, provided that they got the

service, but they do feel, particularly the people in the smaller towns and villages, that the interference is too frequent and often from a cause which a qualified inspector would find trivial and could easily remove. Possibly there is not a sufficient number of inspectors; at all events adequate service was not given. They felt that they were not getting their money's worth. On behalf of these users of the radio I transmit this complaint to the minister, and now particularly as it has turned out that their anticipations of a higher licence fee were correct I would urge the minister, to see that the service is improved. As I have said, the people particularly in the small towns and villages feel that they are not getting the service to which they are entitled, that their complaints are left unremedied, and interference is allowed to continue.

While I am on my feet there is another matter I wish to mention. We all know that some aspects of the radio question are now before a committee of this house, and I would ask the minister if it is not possible that from the report of that committee recommendations may come and changes be made which would completely alter the whole aspect of things so far as the present estimates are concerned. Or is it more likely that any such changes will be for the future and will not affect the estimates of this year?

Mr. DURANLEAU: I do not think that the findings of the committee will affect in any way the estimates of this year. I quite agree with what the hon. gentleman has said with regard to interference troubles in the province of Alberta, and that the service should be improved, and it is the intention of the department to appoint a greater number of inspectors in that province.

Mr. SPEAKMAN: I am very glad to hear the minister say so, because the use of radio is increasing very rapidly in Alberta.

Mr. MacDONALD (Cape Breton): We have one inspector for the city of Sydney, and I am in receipt of a letter from him to-day saying that his services are being dispensed with; consequently we will have no inspector in Sydney. I am anxious to know just what inspection service is being provided in a case like that.

Mr. DURANLEAU: I understand that the services of the part-time inspector in Sydney have not been dispensed with. He is still in the service and we are considering the matter. Whether in such cases we will provide the service by using a local man or by using regular men in adjacent towns and cities is under consideration. If we receive a larger amount for that service we will undoubtedly retain the services of the man to whom reference has been made, because I am told he is very efficient.

Mr. MacDONALD (Cape Breton): I understand he has received notice that his services will not be required after the end of the month.

Mr. DURANLEAU: He is still working for the department.

Mr. MacDONALD (Cape Breton): I trust the minister will continue his services, because I understand he is well qualified.

Mr. DURANLEAU: I think we will be able to satisfy the hon. member.

Mr. TAYLOR: Can the minister estimate the amount of money which will be received under the new rate of licence fee?

Mr. DURANLEAU: I can tell the hon. member that at the rate of one dollar per licence we received last year the sum of $510,000 net, commissions having been paid. At the two dollar rate we expect to collect about $1,200,000.

Mr. SPEAKMAN: Then, so far as that part of the branch is concerned, we may conclude it is self-supporting?

Mr. DURANLEAU: Yes, there is no doubt about that.

Mr. TAYLOR: Although there is a reduction of $44,600 in the estimate, the minister tells us the figure was struck before the government decided to increase the licence fee. Would he give us the assurance that since the licence fee has been increased his department will see that more attention is paid complaints regarding interference?

Mr. DURANLEAU: I can assure my hon. friend that if we get the money we will give better service.

Mr. TAYLOR: The department will be receiving another $500,000.

Sir EUGENE FISET: When will the new rate of two dollars come into force?

Mr. DURANLEAU: On April 1.

Sir EUGENE FISET: Will the minister see that proper advertising is given in the local press, not only in the county of Rimouski but throughout the district of the lower St. Lawrence river? In the constituency of Rimouski we have a newspaper called Le Progres du Golfe, and advertisement could be made in that paper. When the rate of one

dollar was put into effect the people in the lower St. Lawrence district did not know to whom they were to pay the licence fees. There were no advertisements in the local press, and no posters in local post offices. Postmen were supposed to collect the fee, but unfortunately they told the people that they had no authority to collect. As a result an inspector came down to the town of Rimouski and prosecuted fifteen or twenty people who had not paid their licence fee because they did not know where to pay them. Now that a new rate is coming into force, I suggest that the minister advertise in the local paper, Le Progres du Golfe, and that posters be placed in post offices throughout the lower St. Lawrence district. I beg that this be done in the interests of the people of that district, and I am sure the department will benefit if they avail themselves of my suggestion.

At this time I should like to direct my remarks to another point. Two years ago the Department of Marine spent a great deal of money on new instrumentation of the Marconi station at Father Point. The new instrumentation was supposed to do away with static in the lower St. Lawrence region. The fact is however that conditions are worse than ever. If proper inspection of the new installations had been made by the department some of the difficulty might have been eliminated. I would ask the minister to issue instructions that inspection be made of the new installations to see if the condition can be remedied. The static is a nuisance to the radio fans in the county of Rimouski, and especially in the town of Rimouski. I assure him the whole population in our section of the country would be extremely obliged if he would have an inspection made with a view to improving conditions.

Mr. DURANLEAU: I have no objection to recommending a further inspection. I am told however by the chief of my department that the trouble does not arise from the station, but is due to the fact that during the summer months static is caused by the foreign boats going up and down the St. Lawrence river. I am happy, however, to accept my hon. friend's suggestion, and will have the station thoroughly inspected once more.

Sir EUGENE FISET: Will the minister take the necessary steps to advertise as I have suggested?

Mr. DURANLEAU: Yes, although I do not promise that we will accept the particular advertising mediums suggested by my hon. friend.

Sir EUGENE FISET: The newspaper I mentioned is friendly to my hon. friends opposite.

Mr. DURANLEAU: We will take steps to inform the people in the St. Lawrence district, and in every other part of Canada, as to the amount of the licence fee and where it should be paid.

Mr. RYERSON: In my opinion the system of appointing part time inspectors at small salaries has not been satisfactory. I cannot conceive of a man receiving only $20, $30, or $40 per month having very much interest in his work. I think I am safe in saying that in my own constituency not one person out of a hundred knows there is an inspector in the district; they do not know his name. I do not think that we have received value for a great part of the money which has been expended for the services of part time inspectors. A system of appointing full time inspectors, even if they were fewer in number, would be far more satisfactory, and radio users would know to whom they must go when they experience trouble. To my mind, sir, a system such as I have described would be preferable to the present one.

Mr. SPOTTON: I should like to ask the minister this question: From what point is the county of Huron served, and from what centre does the trouble man come?

Mr. DURANLEAU: I understand the man who attends to the trouble in the county of Huron comes from Kitchener or London.

Mr. SPOTTON: I quite agree with the hon. member for Brantford City that since we are to derive such a large revenue we should get down to a system of county inspection. The cities of London, and Kitchener, Ontario, are from seventy to one hundred miles from some parts of my constituency, and I do not know that I have ever seen one of the trouble men who, the minister has told us, are located in London or Kitchener. I am told that the wagon passes through occasionally on fine days or holidays. We do not know who he is, we do not know where to send for him. I understood the minister to say that the radio licence was raised from one to two dollars to enable him to spend more to ensure radio listeners getting better reception. I contend that that was not at all necessary. During the first ten months of the past fiscal year the revenue of the radio department was $494,648.26 and the expenditure $167,053.65. So the department was able to donate to the exchequer a third of a million dollars. In the preceding year, 1930-31, the net revenue was

$459,469.32, and the expenditure $221,655.90. I register my protest against the raising of the radio licence fee to two dollars, and I do so in a very orthodox fashion, because the minister will remember that as representing a county which I do not expect to have blotted off the map in favour of any other county, I asked him before any changes were made in radio policy to give me an opportunity of expressing my people's views in the matter. I believe that in my county of North Huron, regardless of politics, any person who has a radio, or expects to get one, objects to this increase in the licence fee, especially when the department had a surplus of a third of a million dollars for the first ten months of the past fiscal year. But not only is the increase in the licence fee objected to; this is only a start and we do not know where the minister or succeeding ministers may stop. In Ontario the government first imposed a war tax of one cent a gallon on gasoline, but they were not content with that and increased the tax to two cents, then to three, four, five and finally to six cents, and to-day they are actually apologizing that the tax is a cent lower than in some of the other provinces. As governments in the future look around for revenue I am just a little fearful, Mr. Minister, that the radio licence will be an awfully convenient place just to put on another dollar, and another year another dollar. I feel that my people have not been properly treated, inasmuch as their representative asked over a year ago that before any changes were made he should at least be given an opportunity to express their views to the minister. I do not propose to have the whitewash brush put over my constituency and any other constituency in the province painted red. I protest against this raise in the licence fee. It was not necessary to get more revenue to improve radio reception, for already you have far more revenue than you need. These are strenuous times, and if the department really wanted more money there might not be any very strong objection to an increase, but on the face of it there is no necessity for this increase and in any event we want to know exactly what the minister proposes to do with the additional revenue. While the radio committee is taking evidence I hope the minister is not a mile or two ahead of them and formulating a policy for which this increased revenue will be needed. Before anything of the kind is done, I for one wish to have an opportunity of presenting my views upon the matter.

Mr. DURANLEAU: Mr. Chairman, I do not think the hon. gentleman rightly understood my remarks. I did not say that we increased the licence fee to $2 because we needed money to give better service to radio listeners. After studying the question very carefully the government came to the conclusion to charge radio owners a licence fee of two dollars. Maybe it is to help the exchequer, but if so, I am sure the radio listeners in North Huron as well as those in other constituencies will gladly contribute.

Mr. SPOTTON: Is it to help the exchequer?

Mr. DURANLEAU: I am confident that radio owners will gladly help the country in this difficult financial situation. The government thought that any citizen who owns a radio and receives good service and hears all kinds of interesting programs would not object to paying a two dollars licence fee. Of course, the additional revenue will be a great help to this country, and I think when he has considered the matter carefully my hon. friend will share the views of the government on this question.

Mr. LAPOINTE: Then it is a tax, because the minister does not need this increased revenue for the purpose of giving service to radio listeners; he has more than sufficient money for this purpose under the one dollar licence fee. This increase is a tax. Why not say so?

Mr. MANION: "A rose by any other name—".

Mr. LAPOINTE: Yes.

Mr. REID: What proportion does the number of licence fees collected bear to the number of radio owners?

Mr. DURANLEAU: I cannot tell exactly, but this year we have collected over $600,000 in radio licence fees. We intend to see that every radio owner pays the licence.

Mr. REID: I think it would be far better for the minister to see that the licence fee was collected from every radio owner rather than increase the fee to $2 to the willing payer.

Mr. DURANLEAU: We hope every radio owner will be willing to pay this licence fee. If we come to the conclusion that all those owning radios have not taken out their licence we will have our inspectors take the necessary steps to enforce payment.

Mr. CARMICHAEL: On that point I should like to bring to the attention of the minister that the present system of collecting the licence fee is not very satisfactory. It is left to the option of the individual radio

owner to go to some person in the locality who has the sale of radio licences. But the honest man is up against this difficulty. The local licence distributor in the past was required to buy the licences in books of ten, valued at one dollar apiece, for which he sent $9 to some central office. He might have several of these books on hand for months without disposing of the licences, with his money tied up in the meantime, and this made him very reluctant to buy sufficient books in advance to meet the local demand. I know that radio owners in my constituency have found it very difficult to get a licence when they wanted it. The local distributor would not have any licences on hand, and weeks later those desiring licences would find him still without a supply. He put up the argument that it was not fair that he should be required to invest his own money in those books without knowing how many individual licences would be required. Now with a two dollar licence it is going to be even worse. I was wondering if this point had been brought to the attention of the minister, and if there is not some better way of administration so that the licences will be there when the individuals come for them.

Mr. DURANLEAU: Since the increase to two dollars the question of collection has been under consideration. It may be that the system in force up to this time has not been as effective as it might have been, but we are studying the matter. We will see that everyone pays for his licence this year, and if we have to change our method of collection we will do so. The matter is under consideration.

Mr. CAMPBELL: I should like to ask the minister just what machinery there is for collecting these licences at present. In Saskatchewan, where the police are partly federal and partly provincial, the mounted police undertake that responsibility, but what is being done in the other provinces where the federal government has nothing in the way of a police force? Surely there must be some machinery for checking up on these licences.

Mr. DURANLEAU: Licences are issued by the radio dealers, the banks, the post office branches and by any vendor who applies to the department for books of licences, as was mentioned by an hon. member a moment ago. Of the amount of $571,000 collected last year the radio dealers collected $416,069; the post office department $123,000 and the vendors $32,000. The radio dealers receive a commission of ten per cent; the post office staffs get a commission of five per cent, and ten per cent is paid the other vendors. This year we intend to allow a commission of 15 cents on each licence, which is at the rate of 7½ per cent.

As I told another hon. member, we are studying the question to-day in connection with the collection of these licence fees. It is a very important matter, and it is only fair that everyone who owns a radio should pay the licence. I hope to be in a position this year to collect the licence for every radio in Canada.

Mr. CAMPBELL: It appears that at present the government provides only the machinery for furnishing licences, and that there is no machinery for really enforcing the law, except in the provinces where the mounted police operate. They are federal as well as provincial officers, but in provinces where there is only a provincial police force I take it that no one has any particular interest in enforcing the law. It means that if a citizen is law-abiding and takes out his licence everything is all right, but apparently there is no machinery for coping with the people who use radios but fail to take out a licence at all. That is the point to which I was referring.

Mr. DURANLEAU: As the hon. member knows, for the last two years the federal jurisdiction has been challenged by several provinces, including Ontario and Quebec, and during that period no prosecutions have been carried on. Since the question of jurisdiction has been definitely settled by the privy council, however, we intend to see that everyone pays his licence fee, and those who refuse to pay will be prosecuted in due course. Of course every opportunity will be given every citizen of Canada to pay his fee; if necessary, when a citizen is willing to pay we will give him ample time, but we intend to see that every citizen pays his licence fee.

Mr. POULIOT: If there were one hundred thousand radio owners in this country a fee of one dollar would bring in a total of $100,000. If the cost of administration of the department was $200,000 then I would agree that the licence should be increased from one to two dollars in order to give better service to owners of radios. On the other hand, however, if with $100,000 this department can be managed very well, I do not see why this increase should be made. The old Romans used to ask for bread and games, and human nature has not changed very much. Perhaps good radio service has done more than chapter 58 of 1931, for the peace, order and good government of this country.

I say that in lighter vein, but I am very serious about it. There are many poor people in the country who have very little to eat, who live in homes which are far from comfortable and who are consoled, while waiting for better times, by listening to concerts and speeches by my good friend the Minister of Marine and his leader, which come over the radio. These people are cheered, while waiting for better times, by being able to listen to the radio; when they feel depressed or distressed, to use a famous word, they turn the switch and hear a nice concert coming from Toronto, Montreal, New York or somewhere else. It gives them courage and helps them forget their trouble. This is a psychological fact, as everyone will admit, so I say it is very important to make things easy for the poor people in order to give them a chance to hear good music at little cost. So I say that if the increase is to improve the service I am in favour of it, while if it is to plug a hole somewhere else I am against it.

I have great regard for the Minister of Marine; I am sure he speaks in good faith when he says he will reconsider the matter of inspectors. I hope that if when he does so he makes a favourable decision and he will not replace the old, competent men with new, incompetent men. In conclusion may I ask if there is to be any decrease in the number of men operating the radio beacons in the St. Lawrence river and in the gulf of St. Lawrence.

Mr. DURANLEAU: I may tell the hon. gentleman that there will be no decrease in the number of employees operating the radio beacons on the St. Lawrence, and I can also assure my hon. friend that competent inspectors who were employed last year will remain in our service during this year.

Mr. CAMPBELL: When this licence fee was first imposed it was generally understood by the public—and I believe the government made it clear at the time—that it was intended simply to provide service for radio owners. In the small towns and villages, throughout my part of the country at any rate, there is a great deal of trouble through interference from telephone wires, from small electric plants, and all that sort of thing. There are a great many difficulties in that way and it seems utterly impossible to get an inspector there to look into the situation. Inspectors, I know, are employed by the government, and when the radio owner pays his licence fee he expects to get in return just that kind of service. That was what the money was supposed to be for. In my part of the country we have found it impossible to get such service. I have personally complained to the inspectors at Regina and elsewhere, but I have not been able to get them to come to these little towns to investigate the trouble. In some small places, owing to imperfections in the lighting system, when the lighting plant is in operation it is impossible to hear anything. Will the minister assure us that in future we shall get, in return for the money we pay, some service that will enable us to use the radio under favourable conditions? Will he undertake to have these plants and telephone wires checked up so that the local authorities will know where the difficulty lies?

Mr. BARBER: Following up the remarks of the hon. member, I want to ask a question. When the inspectors discover such trouble as my hon. friend has mentioned, due to some power corporation or private plants, has the department the power to compel these people to remedy the condition that is causing the trouble, and are they doing so?

Mr. DURANLEAU: We have no power to order companies to stop their operations if they are causing trouble, but I am told that as a matter of fact when our inspectors locate any trouble the companies are always willing to see that a stop is put to it.

Mr. BARBER: The trouble is chiefly with the small plants, and it would require little to remedy it.

Mr. DURANLEAU: As a rule, the companies are quite accommodating. As to the service given in the province of Saskatchewan, we have to-day six regular men who go around in cars the year round.

Mr. CAMPBELL: Six men in the province of Saskatchewan alone?

Mr. DURANLEAU: Yes.

Mr. CAMPBELL: Then it is strange we do not see them in our part of the country.

Mr. DURANLEAU: Perhaps there are no complaints from those parts.

Mr. CAMPBELL: There are complaints; I can assure the minister that I have made many complaints myself.

Mr. DURANLEAU: I shall be pleased to look into the matter. I can assure the hon. gentleman that my department will give the best service possible in his part of the province.

Mr. HEENAN: I was very glad to hear the minister say that he would maintain an efficient radio inspection service. I received a letter this morning from the town of Fort Frances in northern Ontario, where the part time inspector has just received notice from the office of the department in Winnipeg to the effect that his services will not be required after April 15. There is no use repeating the arguments that have been made; suffice it to say that in that town and district we have a good deal of trouble. The town is about 250 miles from Winnipeg and about the same distance from the head of the lakes. I shall be glad if the minister will assure me either that a part time inspector will be kept on or that he will provide a full time inspector.

Mr. DURANLEAU: When the notice was given, the policy with regard to inspection had not been definitely settled, but we thought it advisable to give notice in order that we might be free to make any decision we thought fit. I can assure the hon. gentleman that Fort Frances will receive proper service. If it is necessary to keep on a part time inspector in that place, one will be maintained. At any rate, the matter will be inquired into to the satisfaction of the hon. gentleman.

Mr. CARMICHAEL: The minister has said that since the privy council's decision his department will see that licence fees are collected without fail under the two dollar rate. I was wondering just what will be taken for granted with regard to the question whether a radio which has been installed is actually in use. I have been told that if a person has an aerial erected it is assumed that he is operating a radio. I would point out that at the present time in the west, in Saskatchewan at least, there are many aerials installed and perhaps many machines in the homes, although they are not in use owing to financial conditions. If that is the case, will the radio licence fee be required from such persons, irrespective of whether they use the machine or not?

Mr. DURANLEAU: If our inspector decides that the claim of the radio owner is bona fide, that he is not using the machine, no licence fee will be collected; but that claim must be bona fide. It happens sometimes that an owner in order to evade the law, disconnects his radio when he expects a visit from the inspector. As I say, his claim to have discontinued the use of the radio must be bona fide.

Sir EUGENE FISET: I hope the minister will broadcast that statement throughout Canada—that it is left to the inspector to decide whether the radio owner shall pay his licence fee or not.

Mr. DURANLEAU: I do not say it is left to the inspector, because every owner of a radio is presumed to use his radio, and in that event he must pay the fee.

Sir EUGENE FISET: The minister said that if the owner decided not to use the machine he had only to approach the inspector, and if reasons he gave were sufficient the licence fee would not be exacted. I ask the minister to publish that broadcast.

Mr. DURANLEAU: I say that if the inspector comes to the conclusion that the radio is not in use, I do not think he should charge the fee. I did not give that as a definite answer, because, as has been suggested, a man who does not use his radio should take it out of the house.

Mr. GARDINER: Where would he put it?

Mr. DURANLEAU: Our inspectors are very fair; but, as I said, our intention is to see that every radio user shall pay the licence fee. It is only fair that everyone who is using a radio should pay.

Sir EUGENE FISET: Suppose a man who is in possession of a radio discusses with the inspector the fact that he is not using that radio, the decision should lie with the inspector who should be able to give a definite decision that in that case he shall not be compelled to pay the two dollars per year.

Mr. DURANLEAU: My hon. friend knows that the inspectors are under the officials of the department.

Sir EUGENE FISET: Will they receive instructions from the department to give a final decision?

Mr. DURANLEAU: The inspector probably will have to report to the department and say, "So and so says that he does not use his radio," and then it will be up to the department to decide. It would be a question of law and perhaps we may have to submit a case to the Department of Justice as to whether a man who has a radio in his house and contends that he does not use it, shall or shall not pay a licence fee.

Mr. FAFARD (Translation): If he does not make use of it, one has but to take the tubes away.

Mr. REID: Would it not be possible to make it compulsory that a licence be purchased at the time a radio set is sold? I desire to associate myself with the suggestion made by the hon. member for North Huron (Mr. Spotton), and I think this matter should be taken under advisement. If my memory serves me correctly, when these licences were first introduced it was said that they were not being introduced for revenue purposes but rather in order that the government might know where radios were located in case of war and so on. The fee has been raised to two dollars and I understand that the revenue is to be used to employ inspectors to go round and see if people have paid their fee. I maintain it would be far better to have left the fee at one dollar and made it compulsory that a licence be purchased at the time of sale of a set. A certain revenue would be received and it would not be necessary to have men going around the country in order to find out whether people are or are not using their radio sets.

Mr. SPOTTON: I should like to leave a suggestion with the minister that part time inspectors resident in the respective counties be employed. These men could check up on licences, be advised of local troubles and then call in the experts, the mechanics and engineers whenever it was necessary. I remember I had to telegraph the predecessor of the present minister complaining of two men who had come into my town who did not act courteously in entering the homes of the residents. We have instances of men who come to a home and say they are gas inspectors but who eventually prove to be burglars, and it was because of this that I complained to the former minister. Upon investigation it was found that licences were not readily obtainable in our locality, and this matter was corrected. I should like to see appointed in my county some person who is known to the people and who could be conferred with. At the present time, practically all of these men seem to come from Kitchener; there might have been a good reason for that during the old régime, but that should not apply to the present régime.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

AUTOGRAPHIC REGISTER SYSTEMS, LIMITED

The house in committee on Bill No. 31, respecting certain patents of Autographic Register Systems, Limited—Mr. Anderson, (Toronto-High Park)—Mr. Cowan (Port Arthur-Thunder Bay) in the chair.

On section 1—1921, c. 78, repealed.

Mr. GARDINER: Will the sponsor kindly explain the bill?

Mr. ANDERSON (Toronto): This bill is to repeal a special act of this parliament passed in 1921. The two inventions mentioned in the preamble had been in use for more than one year before the application for patent was filed, and therefore the patents could not be issued under the general act as it then stood. A special act was accordingly passed on June 4, 1921, empowering the commissioner to issue the two patents. In the same year the general act was amended and it changed the time limit during which applications had to be filed. This made the two inventions patentable under both the special act and the general act as amended, and the commissioner of patents in exercising his authority did so under the general act and not under the special act. Doubts have arisen whether the general act or the special act should be deemed to apply to the patents in question. In order to remove these doubts it is asked that the special act be repealed, and the patents will therefore be issued under the authority of the general act, under which, as a matter of fact, the patents were actually granted by the commissioner.

Mr. GARDINER: What will be the practical effect of the removal of the doubts?

Mr. ANDERSON (Toronto): If the general act had been as it is to-day, the special act would not have been required. Authority was given to the commissioner to issue the patents under both the special act and the general act as amended, both acts being assented to on the same day. It seems to me that there must have been a misapprehension at that time. At all events, doubts have since risen in the minds of some of those using the patents, and possibly operating under them, as to which is the real authority, the general act or the special act. This puts it beyond all doubt.

Mr. GARDINER: Was there any difference in the time limit specified by the general act and the special act?

Mr. ANDERSON (Toronto): No.

Section agreed to.

Bill reported, read the third time and passed.

CANADIAN PACIFIC RAILWAY COMPANY

The house in committee on Bill No. 35, respecting the Canadian Pacific Railway Company—Mr. Matthews—Mr. Cowan (Port Arthur-Thunder Bay) in the chair.

On section 1—Short title.

Mr. SPENCER: Is the sponsor of the bill in the house, Mr. Chairman?

The CHAIRMAN (Mr. Cowan, Port Arthur): No. This bill was passed by the railway committee.

Mr. SPENCER: Unanimously?

The CHAIRMAN (Mr. Cowan, Port Arthur): I am so advised.

Section agreed to.

Sections 2, 3 and 4 agreed to.

Bill reported, read the third time and passed.

CONSIDERED IN COMMITTEE—THIRD READING

Bill No. 32, respecting the Ottawa and New York Railway Company—Mr. Shaver.

SUPPLY

DEPARTMENT OF MARINE

The house in committee of supply, Mr. Cowan (Port Arthur-Thunder Bay) in the chair.

Radio service, to provide for the general improvement of reception conditions to licensed broadcast listeners, $180,400.

Mr. POULIOT: I should like to ask if it is the intention of the department to spend the total sum received for radio licences upon radio improvement or radio work in the department?

Mr. DURANLEAU: It is the intention of the government to give the best service possible to the people of Canada. If there is a surplus it will go to the exchequer for the benefit of our country.

Mr. SPROULE: Mr. Chairman, I am sorry I was not in the chamber when the minister was explaining the radio system. Several complaints have been received because radio owners did not know they were required to secure licences. In the rural districts some of the people have bought separate parts and put them together in an effort to build a small set, so that they may be able to entertain their friends in the evenings. Particularly in the rural districts, where storage batteries have to be recharged and the cost of radio upkeep is therefore greater, the licence fee is a burden. It may be that an inspector may come along, and seeing an aerial outside a house he will go in and ask the occupant if he has a licence. That person may reply, "No, I let my licence expire," or his answer may be that his set is not then in use.

I do not know that I have any very helpful suggestions, or that I am in a position to assist the minister, but in my humble opinion licensing of radios should be treated similarly to the licensing of motor cars. A man who can afford to operate a high price motor car has to pay a high rate of licence. Plenty of people on the back concessions are not financially able to buy good radios. There was a time when those people could afford to go and see a ball game or indulge in other luxurious pastimes, but to-day they have to stay at home and listen to their radios. Undoubtedly the radio offers a great deal of amusement to many people. True, they may be using a radio set somebody else has discarded; they have gathered the pieces together and put it into service. Undoubtedly the man with the cheap set should be taxed, but not as much as the man with the set costing $400 or $500. While radio listeners in the cities find that static interferes with reception, the people in the country have no difficulties of that nature. Some people own radios which bring in the programs from the most distant stations, while others can afford only those machines which have been discarded by the wealthier people and are capable of picking up only the nearby stations.

In western Ontario most of the programs come from Detroit. Programs from Detroit stations come in clearly at times when radio listeners can hear neither London nor Toronto. They never hear Ottawa. I suggest that the licence fee on high priced radios should be three dollars, and that the poorer people who have not money to buy licences should not have to pay as much. To my mind radios are in a position similar to cars in this respect.

I have seen radios that did not cost any more than $7 or $8, and it would be unfortunate if a two dollar licence were charged on such machines. There is some justice in

the contention that if a man can afford to buy a good radio he should pay a higher licence fee. We know that the inspectors go round and visit the homes, showing their authority, and sometimes they frighten the ladies at the homes they visit. Whether the radio is used or not, however, the owner has to pay the fee.

Item agreed to.

River St. Lawrence ship channel, dredging, including the maintenance and operation of Sorel shipyard, $3,518,000.

Mr. GARDINER: Would the minister tell us how they are getting along with this work?

Mr. DURANLEAU: The dredging of the St. Lawrence ship channel up to thirty-five feet is in progress. According to Sir Alexander Gibb's report and the information I have, up to date eighty-six per cent of the thirty-five foot channel has been dredged, leaving fourteen per cent still to be done.

Mr. SPENCER: When does the minister expect to complete the dredging of the thirty-five foot channel?

Mr. DURANLEAU: As the committee knows, there is a contract with the General Dredging Company for part of the dredging. That contract will expire on December 31, 1933. The other part of the dredging is being done by the fleet of my department, and we hope to have the program completed at the end of 1933, or at latest in 1934.

Mr. GARDINER: What is the estimated cost of the remainder of the work?

Mr. DURANLEAU: We have to dredge about six million yards to complete our program.

Mr. GARDINER: What is the cost per yard?

Mr. DURANLEAU: It depends on the material encountered. When the material is soft the dredging is cheap; when it is hard material or rock, of course the cost is high. We estimate that the cost will be between seven and nine million dollars.

Mr. GARDINER: Has the minister any figures to show what it has cost to dredge the thirty-five foot channel from Quebec up to the point where the work was suspended last fall?

Mr. DURANLEAU: I have not under my hand the information as to the exact cost of the dredging from Quebec up to Montreal and from Quebec down towards the gulf. The total cost up to March 31, 1930, was $23,868,000.

Mr. GARDINER: Is that from Quebec up to Montreal?

Mr. DURANLEAU: No, that is for the whole ship channel from Montreal down to the sea.

Mr. GARDINER: What is the mileage from Quebec to Montreal?

Mr. DURANLEAU: From Montreal to Sorel, forty-five miles; from Sorel to Batiscan, not including lake St. Peter, thirty-six miles; lake St. Peter, twenty miles; from Batiscan to Quebec, fifty-nine miles—making a total of one hundred and sixty miles.

Mr. LUCAS: What width is the channel?

Mr. DURANLEAU: The minimum is about three hundred and fifty feet, and about six hundred feet in the curves.

Mr. LUCAS: I understand the work when completed will provide a thirty-five foot channel at low tide up as far as Montreal.

Mr. DURANLEAU: That is the program.

Mr. LUCAS: When the work is completed will the channel take care of the largest ships that are now in service on that route?

Mr. DURANLEAU: There are certain large ships that will not be able to come as far as Montreal, but all the Empresses will be able to reach Montreal.

Sir EUGENE FISET: Even the Empress of Britain?

Mr. DURANLEAU: I hope so.

Sir EUGENE FISET: I am afraid the minister is mistaken.

Mr. DURANLEAU: When we have the ship channel dredged to a depth of thirty-five feet, all ships drawing not more than thirty-two and a half to thirty-three feet will be able to come to Montreal; but there are ships drawing up to thirty-eight feet.

Mr. GARDINER: What are you going to do with those ships?

Mr. DURANLEAU: They will have to go elsewhere.

Mr. GARDINER: The minister has stated that about fourteen per cent of the dredging remains to be done in order to complete the thirty-five foot channel up to Montreal. He has also stated that the estimated cost of the

remainder of the work will be between seven and nine million dollars. He has not been able to give me the cost of dredging the thirty-five foot channel from Quebec up to the present point where they stopped last fall. I would ask him to secure that information, because there seems to be a feeling on the part of many people in Montreal that no money should be spent above that port for the purpose of improving navigation. I desire to get information as to what we have spent in order to provide this deep channel for the service of the port of Montreal more particularly, although of course it is also for the service of the country as a whole.

Mr. DURANLEAU: I shall be pleased to give my hon. friend any information available to the department.

Mr. GARDINER: Has the minister any figures of what has been spent on aids to navigation between Quebec and Montreal?

Mr. DURANLEAU: It is not possible at the present time to give any definite information.

Mr. GARDINER: Perhaps I can get that later.

Mr. DURANLEAU: Yes.

Sir EUGENE FISET: In what year was the dredging contract entered into, 1930?

Mr. DURANLEAU: The dredging contract was entered into during the spring of 1930.

Sir EUGENE FISET: For how many years?

Mr. DURANLEAU: It is for different sections of the ship channels, at so much per yard.

Sir EUGENE FISET: What is the name of the company?

Mr. DURANLEAU: The General Dredging Company, Limited.

Sir EUGENE FISET: Where are they located, Montreal?

Mr. DURANLEAU: I think so.

Sir EUGENE FISET: The work these people are doing is based, I suppose, on the amount of money voted yearly by parliament?

Mr. DURANLEAU: Of course it is always conditional on the amount voted yearly, but they have a contract by which they are bound to complete the dredging in these sections by December 31, 1933.

Sir EUGENE FISET: It is hard to understand how such a contract could be entered into between the department and this company, extending over four years, when the amount of work to be done depends upon the amount of money voted by parliament each year. Why could not tenders be called for yearly to cover the amount of money voted by parliament? Why was a fixed price set in 1930, when I think prices were rather high? I believe a better price could be obtained if new tenders were called for each year. After all, the contract calls for so much per yard, in accordance with the kind of work to be done, and even though the contract was let by a Liberal administration I do not see why it covered a period of four years.

Mr. DURANLEAU: I might tell my hon. friend that this contract was entered into by the previous administration, and I might say further that when we came into power I asked the Department of Justice whether or not this contract could be cancelled. After due consideration the answer was that the contract was quite legal and could not be touched, so we had to carry on.

Sir EUGENE FISET: I have had a certain amount of experience in connection with contracts given for a definite number of years, and I know that such contracts are based entirely on the appropriation voted yearly by parliament. I do not see how the Department of Justice could give such a ruling, because there is nothing on earth to prevent the minister calling for new tenders at the beginning of the fiscal year, for a specific amount of money voted by parliament. If that were done now the amount of the tender might be much less than it is at the present time. The minister might be well advised, even at this late date, in view of the fact that the work cannot possibly start for a month or so, to call for new tenders. It is curious that such a large contract should be given one particular company for a period of years.

Mr. DURANLEAU: My hon. friend is quite correct when he says the contract depends on the amount of money voted, but in order to stop work under that contract we would have to stop dredging entirely.

Sir EUGENE FISET: I think the work stops when the amount of money voted by parliament is exhausted.

Mr. DURANLEAU: When the amount voted has been exhausted it is the privilege of the department to give notice to the company that the amount available for the current year has been spent. If the company

go ahead with the work following such notice they do so at their own risk, but if we vote similar estimates the following year their contract is still in force and they are entitled to go on.

Sir EUGENE FISET: Once the minister has notified the company concerned that the appropriation voted by parliament has been exhausted, when further money is voted the following year further tenders may be called for.

Mr. DURANLEAU: I had to comply with the opinion of the Department of Justice.

Sir EUGENE FISET: Usually an opinion given by the department complies pretty well with the wishes either of the minister or the deputy minister. That has been my experience in the past.

Mr. DURANLEAU: I am not prepared to accept the views of my hon. friend on this point.

Mr. POULIOT: I am under the impression that an opinion given by the Department of Justice on any question depends very much on the way the question is drafted. Here I see a sharp distinction is made between postmasters and contractors; postmasters are dismissed, but contractors keep their jobs. They are very fortunate. I should like to know who are the gentlemen forming the General Dredging Company, Limited.

Mr. DURANLEAU: I may frankly tell my hon. friend that I do not know the directors of the company. I know one or two of them but I do not know to what extent they are interested, and really I do not know who control the company. The contract was entered into before we came into power; I was advised that the contract was legal, and I had to carry on. I do know that subcontracts have been let by the General Dredging Company, but I do not know who are the owners of the other companies. If they do their work properly and in accordance with the contract we do not care who are the owners.

Mr. POULIOT: The reason I asked was that my hon. friend from Rimouski and myself wanted to know those names in order to write them a joint letter of congratulation on having kept their contract for so many years.

Mr. STEWART (Edmonton): May I ask if the dredging in the lower St. Lawrence has been completed?

Mr. DURANLEAU: It is almost finished, except for a few spots.

[Mr. Duranleau.]

Mr. STEWART (Edmonton): There is not very much left to be done?

Mr. DURANLEAU: No, only a few spots, and at high tide there is no interference with navigation.

Mr. LUCAS: Is the channel below Quebec being deepened?

Mr. DURANLEAU: Our program calls for a thirty-five foot channel from Montreal down.

Sir EUGENE FISET: What portion of this vote is used for the operation and maintenance of the Sorel shipyard?

Mr. DURANLEAU: About $300,000.

Sir EUGENE FISET: Is that just for maintenance?

Mr. DURANLEAU: For maintenance and operation.

Sir EUGENE FISET: Is any part of this money used for dredging in the port of Sorel?

Mr. DURANLEAU: No.

Sir EUGENE FISET: The minister is sure of that?

Mr. DURANLEAU: Yes.

Mr. POULIOT: If the company does not do the work satisfactorily this year will the minister tell us if he will cancel the contract upon the report of his engineers?

Mr. DURANLEAU: I think it is needless to say that if the dredging contractor does not comply with the requirements of the contract my department will take the necessary steps to protect the government and the exchequer. If we are entitled to have the contract cancelled by the courts we will do so. I will see that the exchequer is protected.

Sir EUGENE FISET: What prices are paid for ordinary clay and rock?

Mr. DURANLEAU: The prices vary according to the classes of material. For class A, which is rock, the prices are $8 and $7 in certain places; for class B, clay, they are 45 cents, 50 cents, 60 cents and 90 cents, depending upon the location.

Sir EUGENE FISET: It depends on the report of the inspector.

Mr. DURANLEAU: It depends upon the reports of the engineers as to the quality of the material.

Mr. POULIOT: Are Mr. Simard and Mr. Dufresne members or directors of the company?

Mr. DURANLEAU: I know that Mr. Simard is interested in the company; as to Mr. Dufresne, I do not know.

Item agreed to.

Lighthouse and coast service — agencies, rents and contingencies, $203,000.

Mr. SPENCER: What are these agencies?

Mr. DURANLEAU: Their duties include the administration within their districts of the aids to navigation, comprising lighthouses, lightships, fog alarms, buoys, steamers, wharves and so on, and generally they look after the interests of the department.

Mr. SPENCER: How is the decrease of $33,000 accounted for?

Mr. DURANLEAU: By the ten per cent reduction in salaries, and, perhaps, more rigid economy.

Item agreed to.

Construction, maintenance and supervision of aids to navigation, including salaries and allowances to lightkeepers, $1,860,000.

Mr. POULIOT: Can the minister say why a lightkeeper by the name of Morin was dismissed at Pilgrims' islands, and whether he was submitted to an investigation? If so, what was the report of the investigator?

Mr. DURANLEAU: I have not the record here and therefore I cannot answer the question. We have so many lightkeepers that it is impossible for the minister to remember the case of each one, but if my hon. friend wants the information I can supply it on Monday.

Mr. POULIOT: I do not want it for myself but for my colleague from Kamouraska, who is unavoidably absent. If the minister cannot give the information now, I would ask that the vote be allowed to stand until the hon. gentleman who is interested in it has an opportunity to discuss the matter.

Mr. DURANLEAU: I do not know that it would be fair to allow the item to stand until the hon. gentleman can be given the information. I can place the record of this man in the hands of his colleague at any time. I can say, however, that if this particular lightkeeper, Mr. Morin, has been dismissed, his dismissal must have come after a thorough investigation, and on the report of the investigator. At any rate, I shall have the record placed at the disposal of the hon. gentleman.

Mr. POULIOT: I regret very much that the record is not available now that the vote is before the committee. It does not seem reasonable for the minister to ask that the item be passed without giving this information. I am well acquainted with this man Morin. I met him this summer and he assured me that he has taken no part in any election in a good many years. He was lightkeeper on one of the three Pilgrims' islands, where he was doing his duty conscientiously. He was very hospitable to all who went there either for fishing or for hunting. Indeed, he was quite friendly to all and he had friends in both parties. As a matter of fact, he did not bother at all with politics. He is a young man, very intelligent and capable, and had been appointed by the Civil Service Commission. Moreover, before the house rose at six o'clock the hon. member for Quebec East informed me that he had known the man's father, who had taken no part in politics. The minister is aware, I know, that the man was recommended by leading Conservative lawyers in Montreal whom it is unnecessary to name but who are influential with the department by reason of personal friendship and associations. All that has been ignored; why? Because of the hatred displayed by some Tories in Kamouraska county. That job was taken from Morin and given to a man who is well off, and who, I may say, is the most disagreeable man in his parish.

Mr. DURANLEAU: Who is he?

Mr. POULIOT: The minister knows him. Seeing that I have said something disagreeable about him, I do not wish to mention his name, but the minister knows to whom I am referring.

Mr. DURANLEAU: I should know by the record.

Mr. POULIOT: The minister cannot very well ask me for information when he has not given me any; I am not his deputy. Here we are voting this item blindly, and it does not seem reasonable. Usually when a minister brings items before the committee, and particularly a minister of the hon. gentleman's standing, he has full information with him; if not, his deputy should be able to supply it. I do not wish to blame anyone, but this is my eighth session in the house and it is the first time I have seen a minister unable to answer a pertinent question when he was piloting his estimates through the committee. I can understand that if, on the orders of the day, I ask a question of the minister in connection with the dismissal of a Mr. Morin on Pilgrims' island, he might very well reply: I will let the hon. gentleman know to-morrow or in two or three days. But the minister has had twelve months in which to prepare his estimates, and when he tells me that he will

give me the information after the item is passed, I do not think he is treating me fairly. I would direct his attention to the example set by his colleague, the Minister of Public Works (Mr. Stewart). When that hon. gentleman is dealing with his estimates and is asked a question, he gives a full answer and not a fool answer—there is all the difference in the world. The Minister of Public Works can be cited as a minister who will always deal fairly with his colleagues in the house.

The Minister of Marine does not come from Hudson bay or the Northwest Territories, he comes from the great city of Montreal. He occupies the honoured position of president of the Quebec Bar Association, of which I am a member. A man of his learning should know that when he is presenting estimates to the committee he should be prepared to supply all information required. I am very sorry, but I must put the blame upon the minister and not upon his staff.

The general impression in the district in which I live is that this man Morin has been dealt with unfairly. This opinion is held not only by Liberals but by good Conservatives who have never voted for me; it is thought that Morin has been dismissed for no good reason, yet when, in a polite and courteous way, I ask the minister for information in this connection, he tells me he will be ready to give it after the vote is passed. The minister may say that the hon. member for Kamouraska is not here. That is quite right; he is unavoidably absent, but I am asking this question on his behalf. I may not know all the minor details of the case, but I am fairly well posted thereon and I know that Morin has suffered an injustice. He has been replaced by another who is not worth what he is receiving. I ask a question of the hon. minister and he replies by answering another question which I have asked. Apparently he wants me to give him the details of what has happened in his own department; he wants me to tell what has happened in the dismissal of one man and the appointment of another. If I appointed a man, I would remember the details of his appointment.

This is a free country, and if the hon. gentleman does not give me the information I require I cannot do anything about it; but if the information is not forthcoming I cannot vote for the item. I have too much respect for the hon. gentleman to lecture him, but I am surprised at his declining to supply the information to which I am entitled and which has been asked for in the proper way, on the proper day and of the proper minister. I understand a return has been tabled in connection with this matter, and if that is so, it should be very easy for the hon. gentleman to obtain the information. I will let him in on one of the secrets of parliamentary procedure—if a return has been tabled, he can obtain a copy. If the file happens to be in the Hunter building he can obtain a copy from Mr. Horton, chief of parliamentary papers. A page could be sent to obtain the file. I do not know if this is the procedure in the Quebec assembly, but that is what is done here. I believe the hon. gentleman knows this, but he does not want us to know that he knows it. I asked the minister why this man had been dismissed, and whether such action had been taken after investigation, and he replied that if he was dismissed after an investigation it was not without good reason. We may have a different opinion as to the sufficiency of the reason. I have no desire to be disagreeable or to take up too much of the time of the committee; when we ask for information, it is not to cause delay or trouble, it is only to be able to answer the questions asked of us by our constituents.

Mr. DUFF: The hon. member for Témiscouata (Mr. Pouliot) is quite within his rights in asking for information with regard to dismissals by the Department of Marine. However, I take a different view from that of my hon. friend; as far as I am personally concerned, I have not the slightest objection to a member of the government in power or a defeated candidate recommending to a minister that a certain official be dismissed. The only objection I do raise in this regard is that this or any other government should be hypocritical about the matter. The Prime Minister believes in economy and is practising it to a certain extent, but I am going to ask him to go a little further in his practice. During the past year tens of thousands of dollars have been wasted by the different departments in investigating the actions of public servants. As I said a moment ago, I have no objection if a defeated candidate or a member supporting the government recommends to any minister that the occupancy of a certain office be changed; I sit back and take my medicine, and tell my friends that that is all that they are entitled to. But I do object to any minister or any government spending thousands of dollars for no good purpose. In the province of Nova Scotia, for instance, a number of lightkeepers, postmasters and others have been dismissed, and it is nothing short of scandalous the amount of money paid these investigators who go round and hold investigations with their minds made up before-

hand as to what they are going to do—they know they are going to recommend dismissal. I say to the minister, to the Prime Minister and the government that they should stop that practice, and let the minister concerned take the responsibility and dismiss any Grit he wants to.

This vote is for the construction, maintenance and supervision of aids to navigation, including salaries and allowances of lightkeepers. I note that there is a decrease in this vote from last year of $494,600, and I would like the minister after I sit down to be good enough to explain to the committee how that reduction is made up. He will notice that the first part of the item refers to the construction, maintenance and supervision of aids to navigation. Now, if there is one important service in this country it is that which has to do with aids to navigation, whether they are on the Atlantic coast, the Great lakes, in the river St. Lawrence or on the Pacific. I trust the minister will be able to tell the committee that in spite of this reduction no instructions will be issued to those in charge of our marine agencies that aids to navigation are not to be put where they are necessary, because the whole marine life of this country depends upon aids to navigation along our coasts and in our navigable waters.

The second part of the item refers to the salaries and allowances of lightkeepers. I assume that part of the reduction is made up of the general ten per cent cut in salaries. I would plead with the minister, with the Prime Minister and with the Minister of Finance, in view of the fact that the Minister of Finance was good enough on Wednesday last to move that the committee rise and report progress on the bill reducing civil servants' salaries, that before we proceed any further with that bill it be determined that no reduction be made in the salaries of lightkeepers. Do the minister, the Prime Minister and the Minister of Finance realize what these lightkeepers all along our coasts and in the river St. Lawrence have to put up with? Take my hon. friend from Cape Breton North-Victoria, in whose constituency I believe St. Paul's island is. The lightkeepers are out there in the gulf of the St. Lawrence, one hundred miles from civilization, with no chance for their children to go to school, isolated practically the whole year; yet the minister and the government are going to cut their salaries by ten per cent. Take the lightkeepers on Sable island, the worst place in God's world for any person to live; and yet the lightkeepers who are there from one year's end to another, sometimes coming back fit for no other occupation, are to lose ten per cent of their salaries. It is a shame and disgrace, Mr Chairman, that any government or parliament should dare to cut the salaries of these men. The same thing applies to every lightkeeper in the country. Some of them are doing this work for only two hundred dollars a year, and you are going to cut their salaries ten per cent. Some of the lightkeepers who were receiving salaries of $800 had their salaries cut last year to $420, and now the government proposes to cut them still further by ten per cent. I say it is not right. Surely the Prime Minister and the Finance minister, if they want to economize, can save in some other direction rather than that of taking the bread out of the mouths of the lightkeepers on the Atlantic and Pacific coasts, in the gulf of the St. Lawrence and the Great lakes. I plead with the Prime Minister, the Finance minister and the Minister of Marine to allow this item to stand, or that the Minister of Marine bring down an item in the supplementary estimates so that the salaries of these lightkeepers shall not be reduced by one cent.

Mr. NEILL: I have much pleasure in supporting the suggestion made by the hon. member for Antigonish-Guysborough. Certainly the life saving service is the last place where we should try to economize. We might perhaps with the consent of the hon. member for Antigonish-Guysborough substitute the lightkeepers for the lieutenant-governors in the civil service salary reduction bill exempting the lightkeepers from the cut and bringing the lieutenant-governors under it. I think the general public of Canada would appreciate that.

I would like to make a very mild protest at the remarks of my hon. friend from Témiscouata. If I understood him aright, he had the idea that the intelligence of Canada was centralized in Montreal and that the further you went from that city the less gray matter was possessed by hon. members. I do not know whether he applied his remarks to other individuals as well, but I presume so, and in that case I would suggest that he go west and examine some of the people as he goes along—and the examination might be reciprocal.

I would ask the minister if he has taken any steps to carry out the promise which he was kind enough to give us last year. He will find the matter to which I refer recorded in Hansard of May 21 last. I notice that I was supported on that occasion by the hon. member for Parry Sound, who spoke

very strongly on the matter. Put briefly, the situation is this. The lighthouse keepers are, of course, civil servants, and there is an arrangement between this government and the provincial governments that if the lighthouse keeper meets with death or accident in his duties the Dominion government will pay to the workmen's compensation board of the province concerned, such a sum as, capitalized, will enable the workmen's compensation board of that province to pay the proper pension or compensation just as if the man had been employed in ordinary industrial work. But a case arises in which that is not possible, and that is the case of the lighthouse keepers' assistants. They are not paid by the Dominion government except indirectly, although really they may be considered as being paid by the federal authorities. The way it is done is this: the lighthouse keeper is paid a salary which is, supposedly, sufficiently large to enable him to employ one or more assistants. But the extra allowance for the assistant is so small that the ordinary lighthouse keeper cannot find an able-bodied man to do the work at the price, consequently he has to fall back on some member of his family, a growing boy or his wife—because the work is generally not very hard—or some old man he happens to know. The lighthouse keeper pays to such assistant a small sum, and it has been ruled that because of that, the assistant is not in the employ of the federal authorities. I brought the question up last year and represented that it was rather a hardship on these lighthouse keepers' assistants, who were subject to the same risks as the lighthouse keepers themselves, that if they were killed or injured in their occupation there would be no compensation or pension paid, and the suggestion was made by myself and the hon. member for Parry Sound that the government should pay the lighthouse keeper a few extra dollars—it would only be a few extra dollars a year, not a month—to enable the lighthouse keeper to pay to the workmen's compensation board the fee current in that province. It is always optional for them to do that even in occupations where the workmen's compensation legislation does not ordinarily apply. I am glad to say that the matter was fully discussed and that the minister spoke as follows:

> The question is very important and I will give consideration to it.

I should be glad to know if the minister has taken it into consideration, and if so, with what results.

[Mr. Neill.]

Mr. DURANLEAU: Answering my hon. friend from Comox-Alberni, the question was discussed between myself and the officials of the department, and a solution has not yet been arrived at. It would mean an entire change in the policy of the department. The lightkeeper receives a full salary and has to hire the services of an assistant. If we were to pay a salary to the lightkeeper and one to the assistant we would have to change our policy.

Mr. NEILL: No, no.

Mr. DURANLEAU: I understood that from my officials.

Mr. NEILL: Perhaps the minister will allow me to explain. It is not desirable to have two salaries, for many reasons. In actual practice it has been found preferable to have the lighthouse keeper employ his assistant, because nine times out of ten the assistant has to live in the house of the lighthouse keeper. Naturally the lighthouse keeper should have some say as to who the assistant should be. The suggestion is that the department should pay the lighthouse keeper a little extra so that he might take care of the small sum to be paid as the workmen's compensation fee for his assistant. The sum would not exceed ten or fifteen dollars a year. There would be no necessity to upset the present system, which, I admit, has its merits. The lighthouse keeper, who is receiving so much a year, would be given very little more and he would have to take care of this particular obligation.

Mr. DURANLEAU: My hon. friend understands that to give compensation to the assistants by raising the salaries of lightkeepers would mean that we would have to ask the Civil Service Commission to increase the salaries of those lightkeepers. Their salaries are established by the Civil Service Commission.

Mr. NEILL: It would be an allowance.

Mr. DURANLEAU: I can assure my hon. friend the matter has been discussed two or three times with my officials, and has not yet been solved. We are trying to find a way out. The question put by my hon. friend is of a serious nature, and I am of opinion that the assistants should be helped. We will try to solve the difficulty to the satisfaction of the assistants and my hon. friend.

Mr. NEILL: Thank you.

Mr. DURANLEAU: In answer to the question of the hon. member for Antigonish-Guysborough I may say that the reduction in the

amount will not be on the salaries. Of course we will have to abide by the law so far as the ten per cent cut is concerned; if the cut applies to lightkeepers, they will have to accept it.

Mr. DUFF: It has not yet been passed.

Mr. DURANLEAU: There will be no other reductions, as to salaries or number of employees.

Mr. DUFF: The law has not yet been passed; that is the reason I appeal to my hon. friend.

Mr. DURANLEAU: I was referring to a time when the law would be in force.

Mr. DUFF: What will the minister do in the meantime?

Mr. DURANLEAU: The reduction in the estimate is in connection only with the construction works. Last year our construction program was $1,000,000, and this year it will be only $200,000.

Mr. DUFF: That sum is for the building of new lighthouses?

Mr. DURANLEAU: Yes, in order to save money, we are cutting down practically all capital works this year. I am sorry I cannot supply the information asked by my hon. friend from Témiscouata.

Mr. POULIOT: I am sorry, too.

Mr. DURANLEAU: I appreciate the fairness of the remarks of my hon. friend, and I should be very happy to give him the information he has requested. I know he is fair enough to admit however that it would be very difficult for a minister to have the files before him concerning 1,200 lightkeepers, and it would be even more difficult for a minister to remember the facts concerning all those lightkeepers. The name of Morin is not unknown to me, but I cannot recall the facts well enough to give the information to my hon. friend. I assure him that if a real injustice has been done I will reopen the case and see that any wrongs are rectified.

Mr. POULIOT: Thank you very much.

Mr. DURANLEAU: I shall study the record, and correct any injustice which has been done.

Mr. POULIOT: That is very satisfactory.

Mr. MUNN: In this vote there is mention of maintenance and supervision of aids to navigation. Is it the intention of the government to remove Ripple rock in Seymour Narrows, which was discussed last year? Is there provision for that in this vote, or is it the intention of the government to have Ripple rock removed during the present year?

Mr. DURANLEAU: As the hon. member knows, last year we had the report of a commission on the Ripple rock question. The matter is in the hands of the Department of Public Works, but I do not think the government intends this year to make an expenditure in that connection.

Mr. FOURNIER: On March 2, I made a motion for the production of documents in connection with way shoal traverse at Angers in the county of Hull. The complaint in this case was made by Mr. Beauchamp, the Conservative candidate in the last federal election in the constituency of Hull. His letter dated October 23, 1930, recommends that one Onezime Proulx replace Louis Mongeon, and is as follows:

(Translation):

To replace him, I recommend Mr. Onézime Proulx, who previously held this position, but was dismissed without reasons being given, in 1929, and replaced by Mr. Louis Mongeon.

An inquiry was held in this matter, and on May 20 Mr. Mongeon was dismissed because of political partisanship. Later on in the record I have before me there is a letter stating that Mr. Onezime Proulx could not again be recommended because he had been dismissed in 1929 for negligence in the discharge of his duty. His brother was appointed. In the record however one document seems to be missing. In this particular case the lightkeeper was receiving $150 per year, or $12.50 per month, and an inquiry was held at which lawyers and stenographers attended. A bill was submitted to the minister which I suppose was paid. That bill, however, is missing from the file I have before me. I should like to know if the minister will tell me the amount of the costs in connection with this inquiry. I see in the file that the commissioner, Mr. Tache, on the 9th of April, 1931, closed his remarks by stating:

(Translation):

I have enclosed my account in triplicate as requested.

"I am enclosing my bill of costs, in triplicate as requested." Will the minister tell me the amount of the costs in connection with this inquiry?

Mr. DURANLEAU: Mr. Chairman, the account must have been sent to the accounting department for payment and removed from the file accordingly. That is why it does not appear in the file as laid on the table

of the house. We shall be pleased, however, to supply my hon. friend with any information we can. We will give him a copy of the account, if he desires to have it. I do not think that stenographers were employed.

Mr. FOURNIER: Yes, they were.

Mr. DURANLEAU: As a rule we do not employ reporters, so that costs may be kept down. The stenographers are the greatest expense in connection with inquiries. I shall be very happy however to supply the bill to my hon. friend.

Sir EUGENE FISET: I wonder if the minister, in view of the gracious reply which he has given to my colleague from Témiscouata (Mr. Pouliot) would be kind enough to give me the same encouragement. He will remember that last year Mr. Thibault, the lighthouse keeper at the island of Bicquet in the county of Rimouski, a returned soldier, was dismissed on the recommendation of a commissioner who happened to be the defeated Conservative candidate in that county. The lighthouse keeper was dismissed on the evidence of three smugglers, who sought the protection of the court before they would give evidence. More than that, those three smugglers are the very same men who were supposed to have been protected by the lighthouse keeper when he was accused of taking part in smuggling while on duty. The minister will remember that last year I registered a protest against the fact of the two ex-Conservative candidates in the county of Rimouski being employed as commissioners on inquiries. I am glad to say that after my complaint no further inquiries were held in the county by those two commissioners. I think the government came to the conclusion that those two gentlemen had been engaged in electioneering to such an extent that they were not proper persons to conduct such inquiries in their own county. Will the minister kindly peruse the evidence placed before the commissioners in this case? I think if he does so he will find that the man was the victim of vengeance on the part of those people. It so happens that the man appointed in his place was a shirker during the period when the man dismissed volunteered for service overseas. I hope the minister will do me the kindness to peruse the evidence, for if he does so I shall be quite willing to leave the case to his own sense of justice.

Mr. POULIOT: I desire, Mr. Chairman, to express to the minister my appreciation of his attitude to-night. I desire to commend especially to his kind attention the case of the lighthouse keeper at Hare island. The island is situated in the middle of the river, which is between ten and fifteen miles wide at this point. Consequently it is very hard for the lighthouse keeper to attend to his duties in the spring and to leave the lighthouse in the fall on account of the ice. This man, named Dubé, is a very handy man, and during the fifteen years he has been lighthouse keeper he has saved the department a lot of money by doing carpentry repairs and painting, thus keeping the lighthouse in excellent condition, although his salary is rather small. This lighthouse, as the minister knows from his inspection, is on a strategic point in the middle of the river, and the light is of the greatest importance to those who go up or down the river. The man has never failed in his duty, he has, as I say, kept the lighthouse in a very good state of repair, and therefore I take the liberty of recommending his case to the minister in order that in due course this very deserving man may have his position improved.

Item agreed to.

Marine signal service, $99,000.

Mr. POULIOT: Do the beacons at Anticosti island and at West Point come under this vote?

Mr. DURANLEAU: No.

Item agreed to.

Administration of pilotage, $218,000.

Mr. POULIOT: I regret very much, Mr. Chairman, that there is not a school for pilots in this country. At the present time I know several young men who want to become pilots. I can recommend especially to the minister a young man named Pelletier who has been sailing the seven seas for several years. He comes from Notre Dame du Portage. The profession of pilot was very popular some years ago, and it would be a good opening for many young men to-day. That is why I am submitting to the minister my suggestion for the establishment of a pilot school for the training of young men.

Mr. LUCAS: What proportion of the vote is for salaries?

Mr. DURANLEAU: Salaries represent $85,000; operating and general expenses, $25,000.

Mr. NEILL: Ten per cent of $85,000 is $8,500; there is a reduction of only $7,000.

Mr. DURANLEAU: There may be a few increases in some of the other items.

Mr. HANSON (Skeena): How many pilots are there in British Columbia?

Mr. DURANLEAU: There are thirty-four in the province.

Mr. HANSON (Skeena): Are any stationed at Prince Rupert?

Mr. DURANLEAU: Some are stationed at Prince Rupert.

Item agreed to.

Maintenance and repairs to wharves, $5,000.

Mr. VENIOT: Would the minister tell the committee how many wharves are under the control of the Department of Marine?

Mr. DURANLEAU: I cannot give that information offhand.

Mr. VENIOT: Would the minister prepare a list of the wharves, together with their location, and let me have it some time in the future?

Mr. DURANLEAU: With pleasure.

Item agreed to.

Steamboat inspection, $121,000.

Mr. MacINNIS: Before this item carries I should like to say a few words in connection with a matter which I think comes under it. I refer to the inspection of tackle used in loading and unloading ships.

The minister will remember that earlier in the session I placed a question on the order paper with regard to the intention of the minister as to the bringing down of legislation in this connection. The question was whether the minister had received from the Vancouver harbour commission a draft copy of safety regulations applicable to the loading and unloading of ships, together with the recommendation that these be made a by-law of the harbour board. The minister informed me that this communication had been received but that the by-law could not be approved by the department because they had obtained an opinion from the Department of Justice holding that the Vancouver harbour commissioners were not competent to draw up such a by-law.

In this connection, Mr. Chairman, may I say that a large number of people are engaged in what we call longshore work, the loading and unloading of ships, and although their work is extremely hazardous, as I will show by statistics furnished by the compensation board of British Columbia, there are no safety regulations covering that work. The municipalities in which this work is carried on claim that they have no jurisdiction in the matter of making regulations; the provincial government says it has no jurisdiction, and now the Department of Justice maintains that the harbour commisisoners have no jurisdiction either. So we find that these men are working under conditions which are extremely dangerous, and there is no one who can enforce safety regulations.

Some time ago a conciliation board was considering an agreement between the waterfront workers of the city of Vancouver and the stevedoring association. One of the present members of the Vancouver harbour commisison, Mr. Thompson, was a member of that conciliation board, and that board recommended that such safety regulations should be made. I should like to read from a statement submitted to that board by the chairman of the workmen's compensation board of British Columbia in response to a request for information. This letter is dated June 18, 1930, and is addressed to Mr. J. B. Thompson, chairman of the conciliation board which was sitting at that time. Mr. Winn, chairman of the Compensation board of British Columbia writes:

> Referring to your telephone conversation today, we find on looking up our records that as far back as 1919, we endeavoured to obtain the appointment of a tackle inspector for this port. In recent years we have also taken up such an appointment with the Vancouver harbour commissioners.
>
> The board is without jurisdiction to deal with such matters as come under the heading of navigation and shipping, that being distinctly a matter over which the federal government, either through its various departments or through the harbour commission, has sole authority.
>
> It is, we believe, self apparent that an independent inspector having to do with the inspection of tackle, equipment and proper lighting and having authority to enforce regulations, is the one who should deal with all accident prevention matters.
>
> The chief efficacy of such an inspector is that he would be an independent arbiter as to the means to be used to safeguard the life and limbs of workmen. One cannot get the same independence of thought and action from an employee that one would expect from an independent official. We have undertaken to supervise,—

That is, the compensation board have undertaken to supervise.

> —without cost to the department or commission making the appointment, the work of such an inspector so as to ensure uniformity of direction as well as fair treatment to all. We have on our commission and staff competent engineers who, by reason of their accident prevention experience, would be able to hold a firm hand on any official so appointed, and in this way ensure competency. Inasmuch as our board is the one to collect funds and to pay for disabilities we are naturally more able to keep close supervision over those matters which go to accident prevention.

I should like the minister to pay particular attention to this paragraph:

As it is now, a foreign boat may come into the harbour with defective tackle and equipment; may employ its own longshoremen, kill or maim them and then leave (unless it is libelled by the injured workman or his representative), without in any way accounting for its casualties, thus leaving the cost to be borne by our citizens. The average longshoreman in case of serious disability—and I take it we would be in much the same position—does not think of his legal rights until he feels the pinch of need. By that time the ship has gone.

I should like to point out that in a case of that kind the injured person or his dependents would be entitled to no compensation whatever. On the other hand, of course, if a longshoreman were employed by one of the stevedoring companies having its head office in some part of British Columbia, he would be entitled to compensation. Mr. Winn points that out; he says:

On the other hand, if the boat in question employs one of our stevedoring companies then the stevedoring company and its employees are covered by the Workmen's Compensation Act, and the result is that in event of accident the workman is compensated.

Now I wish to give some figures with regard to accidents, and also to give illustrations of the causes that lead up to accidents. I have the figures from 1918 to 1930, but I will not take the time of the house reading them all. If it were possible, I should like to put them on Hansard without reading them, but if I am not allowed to do so I will content myself with quoting them in part.

In 1918, the first year on record, there were 239 claims. Of these there were seven permanent or partial disability awards and one fatal accident. The total cost in that year was $17,666. By 1923 the number of accidents had increased to 388, with twelve permanent or partial disability awards; there were no fatal accidents in that year. The total cost was over $36,000. I would observe here that up to 1923—I cannot speak for any point outside Vancouver—the longshoremen of that city were strongly organized, and in the fall or early winter of that year there was a strike in longshore work. The workers' organizations were defeated. Now I want to show what difference that made in the number of accidents that occurred in the following year when the men were without an organization to protect the worker. As I have pointed out, the total claims in 1923 were 388, with twelve permanent or partial disability awards; and there were no fatal accidents in that year. The total cost, as I have stated, was over $36,000. Now, in 1924 the number of claims totalled 536, with twelve permanent or partial disability awards and ten fatal accidents, and the total cost was over $119,000.

Generally speaking, from 1924 up to the present time accidents have been increasing, along with the cost; so that in 1930, the last year for which I have figures, there were 582 claims, with forty permanent or partial disability awards and three fatal accidents, involving a total cost of $152,000. It seems to me, in face of such a condition, that the minister should take steps to have the lives and limbs of men engaged in this sort of work protected.

The chairman of the compensation board of British Columbia stated that the only competent authority in the matter was the federal government, through some of its departments, and undoubtedly the Department of Marine is the one under which this should come. I hold that under section 674 of the Canada Shipping Act the minister has power even now to make regulations in that regard if he thinks fit. I shall read that section, and if it does not fully cover the situation, then I think that minor amendments could be made to render it applicable. It could easily be amended to serve the purpose intended. The section reads:

Every inspector may, at any time, visit any ship, whether registered in Canada or elsewhere, and whether propelled wholly or in part by steam, except ships belonging to His Majesty; and although any such ship is classed in Lloyds register of British and foreign shipping, or in any other corporation or association for the survey and register of ships approved by the governor in council, may inspect and examine the tackle, machinery or apparatus used for the loading or unloading thereof, and, if he considers such tackle, machinery or apparatus defective, so as to be dangerous to life, he shall report thereon to the minister, who may order that such tackle, machinery and apparatus shall not be used until permitted by the minister.

I suppose when the act says "may report" to the minister, that means either to the minister or to his representative in the locality; for it would be a very slow process if a report had to come from Vancouver or from Halifax to the department here in order that instructions might be sent as to what should be done. As regards the words "may inspect and examine", I should think that the minister might very well construe that as "shall", and that would serve the purpose.

Under that section of the Canada Shipping Act, the minister has jurisdiction and the necessary means to fulfil the requirements for safety. I believe that the Vancouver harbour commissioners are favourable to safety regulations. I understand that in November, 1931, they forwarded a copy of rather full regulations for the approval of the minister. They

wanted to have these regulations approved as a by-law. I believe that, while the harbour commissioners have not the power to draft and enforce regulations, if these by-laws were approved by the minister they would have the effect of departmental regulations and could be made applicable under the provisions of the Canada Shipping Act. I am not a lawyer but I take it that this could be done, once the regulations had the approval of the minister. There are twenty-five sections in these regulations, which were approved by the Vancouver harbour commissioners, by the workmen's compensation board, by the council of the city of Vancouver and by the waterfront workers themselves, through their association; so that they are opposed only by the stevedore companies of the province of British Columbia. The last section of the resolutions of the Vancouver harbour commission reads as follows:

The safety inspector shall have authority to inspect all loading and unloading berths and the equipment thereon, and shall have authority to prohibit work if he considers conditions unsafe.

I think that is a perfectly reasonable authority to give, and it should be given in this instance. In most other industries in the province of British Columbia the workmen's compensation board has authority and can enforce safety regulations. I have in my hand a copy of a letter addressed to the Minister of Marine by the assistant secretary of the workmen's compensation board of the province of British Columbia, and which deals with the matter I am now discussing. It is rather lengthy, but it gives a very good picture of the conditions which prevail. The minister may have forgotten having received this letter, and I bring it to his attention. It is dated November 14, 1931, and reads:

On or about the 23rd ultimo, we were informed that the Shipping Federation of British Columbia which, we understand is composed of employers engaged in stevedoring in or about Vancouver, wrote you opposing the appointment of an accident prevention inspector for this port.

Experience throughout the continent has emphasized the supreme importance of accident prevention as the surest and soundest way of curtailing human wastage in industry and to reduce for the employers the cost of accidents in lengthy time loss, medical attention, increased labour turnover, permanent disabilities and loss of life. Each accident prevented and each safeguard installed means not only a reduction of the strain on the funds of the industry but also the saving and preserving of manpower both to the province and to the nation. An accident prevention inspector would be continually carrying on an educational safety campaign, which could not help but develop a "safety consciousness" and therefore a more careful and efficient employee.

At times in the past we know that the Vancouver Harbour Commission has had a safety inspector, but his only authority, as we gather from him, has been to report to them any unsafe practices or unsafe equipment. He would also advise officials in charge of the work as to dangerous places and practices, but he had no authority whatsoever to insist upon any remedies.

The Vancouver harbour commission is trying to do whatever it possibly can in this connection, and, as is pointed out by this letter, it has appointed at its own cost a man to inspect the equipment used in the loading and unloading of ships. But this inspector has no authority to enforce any regulations after he has found a defect in the equipment used; all he can do is direct attention to such defect and try to prevail upon the shipping federation to discontinue the use of such defective equipment. The letter continues:

We know too that the shipping federation has had a safety inspector. In discussing the matter with him we were informed that his only authority was to advise his employers of the various hazards undergone from time to time by the workmen and to, at times, recommend an alleviation. He had no power of a definite nature to cause the remedy of any dangerous or faulty equipment, nor to insist upon the prevention of unsafe practices. It is apparent that he occupied an unenviable position, because from time to time he would be in the position of having to advise his employers that their equipment was faulty or that the vessels employing these firms to do their work had dangerous machinery or poor equipment. In advising his employers of defective equipment he would be, in effect, asking them to expend money to remedy such conditions. The possibilities were that his employers would not care to insist upon those in charge of the incoming vessels stopping work to repair or replace faulty machinery or equipment. If the inspector were active in accident prevention measures, it can be quite easily understood that he could not hope to hold his position for any length of time.

The holding of a position is an important matter in these hard times, and this so-called inspector would not be very keen to detect defective equipment. The letter continues:

From the foregoing it is apparent that a great part of the work of either of the above inspectors would be abortive by reason of his lack of authority.

The Workmen's Compensation Act of British Columbia has been in effect approximately fifteen years. When it had been in effect for about two years it became apparent from evidence taken in hearings on accident cases, from complaints received from workmen, from reports of accidents on our records, that there was a very great need for definite accident

prevention measures in stevedoring work. In 1919 we started to take steps to bring to the attention of your department, through representatives, the necessity for greater protection on the Vancouver waterfront.

Although the minister has not been in office since 1919, I would direct his attention to the fact that since that year the workmen's compensation board has been drawing this matter to the attention of the federal Department of Marine, yet nothing has been done and the workers are being killed and maimed in accidents, many of which could be prevented. The letter continues:

Frequently since that time, as the opportunity presented itself we have joined with other interested parties in seeking to achieve the same end. We believe that as a result of these efforts the hereinbefore mentioned inspectors were appointed, but with their lack of jurisdiction of a mandatory nature it was realized that their efforts were mainly fruitless. It is true, however, that some faulty gear and some unsafe practices were remedied.

The Vancouver and District Waterfront Workers' Association, as our records indicate, endeavoured on a number of occasions to obtain the sought for objective, the federal appointment of accident prevention inspectors. They were joined in their efforts by the Amalgamated Carpenters of Canada;—

These carpenters are employed in lining ships to be used for the shipment of grain, and have to work under the same hazardous conditions as the longshoremen. The letter continues:

—the Canadian Merchant Service Guild, composed of captains, masters, mates, etc., operating in our coastal waters; the British Columbia Safety League, whose sole objective is the prevention of accidents, and the city of Vancouver.

Everyone connected with the business carried on in the shipping district of the city of Vancouver is interested in the drafting and putting into effect of regulations which will prevent accidents on the waterfront. The letter continues:

You will notice, therefore, that all of the bodies actively interested and vitally affected by the cost of the accident toll and its suffering —save the employers—have recognized the necessity of the appointment of an accident-prevention inspector with proper authority.

The members of our board have met the various affected labour organizations on a large number of occasions and discussed with them the Vancouver waterfront situation and agreed to the necessity outlined herein. We could not handle the thousands of waterfront accidents that we have; meeting the injured workman and discussing the type of accident with him; meeting business agents of the various labour organizations and meeting the various employers' representatives as well as others having a practical knowledge of the necessities outlined herein without coming to a very definite conclusion as to the needs of the situation.

We have on several occasions met the representatives of the Vancouver Harbour Commission and discussed with them the proposed accident-prevention regulations and have agreed with them that the regulations submitted were an absolute necessity; that while they are not sufficient to meet all possible contingencies, yet they are a fair start on the problem. It has been agreed with every representation that the proposed regulations are only those which a reasonable man would expect to see placed in effect.

I would ask the minister to take into consideration the reasonableness of what is asked in this case. The workmen's compensation board is not much interested in this matter except as regards the prevention of accidents, and may I say that they have done good work in reducing the toll of accidents in the industrial concerns in the province of British Columbia. Still quoting from the letter:

The board does not keep a list of accidents happening in any particular locality, but to prove the need we have, out of a mass of waterfront accidents, looked up the files and selected a few of the cases to which some of the regulations would apply. Attached hereto and under the number of the particular section of the proposed by-laws is a list of a few cases that have actually happened in the last few years and which could have been remedied had there been a safety inspector qualified and fully authorized to act as an independent arbitrator—

The CHAIRMAN (Mr. Spotton): The hon. gentleman has spoken forty minutes.

Mr. NEILL: I do not think so, Mr. Chairman.

Mr. MacINNIS: With all due deference, Mr. Chairman, I am quite sure that I have not spoken forty minutes, and with your leave I shall proceed. In any event I believe the information I am giving to the committee is of such importance that I should be allowed to continue even had I spoken forty minutes. Quoting from the letter—

Some hon. MEMBERS: Order.

Mr. MacINNIS: Have I the privilege of the floor, Mr. Chairman?

The CHAIRMAN (Mr. Spotton): I do not wish to be unfair to the hon. member, but according to the information I was given when I took the chair, his time would be up now. But if the committee are unanimous in the view that the hon. gentleman should be allowed to proceed, or if the information given me was not correct, I shall be glad to allow the hon. member to proceed.

Mr. WOODSWORTH: It is an astonishing thing, Mr. Chairman, that in committee of the whole forty minutes should elapse in what seems to the rest of us to be twenty minutes.

I should like to impress upon the committee the seriousness of the situation which exists on the waterfront in Vancouver, though some hon. members may think the matter is of no particular importance. It is several years since I brought up this very question on the floor of the house and received assurances from the minister then in charge that something would be done. However, nothing has been done, and the situation is a serious one. It seems as if the responsibility for accident does not rest with any one party. At times it is the harbour board that is held responsible, at other times it is the Dominion government, and so on. To use the ordinary slang phrase, it is a case of passing the buck. In the meantime there are a great many accidents, and there is no safeguard for the waterfront workers. I speak rather feelingly in the matter because I know the situation very intimately. I know some of the men engaged in this work; I know how much they realize the need for protection of this kind, and I trust the committee will take seriously this letter which is being read and the representations which are being made. I hope the hon. member will now be allowed to continue.

Mr. MacINNIS: I am quoting from this letter, Mr. Chairman, because it puts the case much better than I could put it myself. All I am interested in is in making the best possible case for the waterfront workers, in the province of British Columbia in particular, but also in other parts of the dominion. I am not talking just for the sake of filling up time. I have never done that, and I have no intention of doing it to-night. Quoting from the letter:

> The board does not keep a list of accidents happening in any particular locality, but to prove the need we have, out of a mass of waterfront accidents, looked up the files and selected a few of the cases to which some of the regulations would apply. Attached hereto and under the number of the particular section of the proposed by-laws is a list of a few cases that have actually happened in the last two years, and which could have been remedied had there been a safety inspector qualified and fully authorized to act as an independent arbitrator in seeing to it that faulty gear and equipment and unsafe practices were not used or operated.

Then it goes on to give the cost rates charged to employers engaged in stevedoring work in British Columbia from 1924 to 1931. I shall not read all the figures, but simply wish to point out that in 1924 the charge was $4.87 per $100 of pay-roll, and in 1931 it had almost doubled, amounting to $8 per $100 of pay-roll. That is sufficient, Mr. Chairman, to show the increasing seriousness of waterfront accidents in the province of British Columbia. Quoting again from the letter:

> The above figures indicate the increase in number and severity of accidents in the last five years. As you know, therefore, no profits under workmen's compensation and moneys are only collected from employers as required to meet the cost of accidents. While it is true that these rates cover all of the stevedoring operations in the province, yet examination of the record of the various employers in and about Vancouver gives no general indication that their experience is in any way different from the experience of employers operating elsewhere. Substantially two-thirds of the accidents that happen in the stevedoring industry occur in the port of Vancouver. In the case of some of the vessels where serious accidents have happened elsewhere these same vessels in completing their cargo took a portion of it at Vancouver, so that, for example, if a workman's leg were crushed and possibly amputated by reason of faulty gear or equipment on the vessel at some other port, the same condition could have happened on the same ship in the port of Vancouver.
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> During the arbitration between the Vancouver and District Waterfront Workers' Association and the Employers in the port of Vancouver in June, 1930, the whole situation was very fully discussed with Mr. J. B. Thomson, who was then chairman of the arbitration committee, and is now a member of the Vancouver harbour commission, and we are sure that he was very fully convinced of the necessity of the course outlined herein.

He was undoubtedly convinced to the extent that in 1931 he forwarded to the department for the approval of the minister the regulations I have already mentioned. Quoting again from the letter, I read the following:

> Our board, through its chairman, advised Mr. Thomson under date of June 18, 1930, that it was self apparent that an independent accident prevention inspector having authority to enforce regulations should be the one to deal with the inspection of tackle, equipment, proper lighting and all accident prevention matters, together with the necessary accident prevention education which would be brought about by his frequent visits to the various docks throughout this district. It was then pointed out that the chief efficacy of such an inspector was that he would be an independent arbiter as to the means to be used to safeguard life and limbs of workmen. It is quite apparent we believe that one cannot get the same independence of thought and action from an employee that one would expect from an independent official. The board's viewpoint has been concurred in, as outlined before, by all parties having to do with the actual work on the waterfront, save the employers in question.
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> Might we suggest that the passing of the proposed harbour board regulations could not act detrimentally to the port of Vancouver. We fail to find a single regulation that can be said to be extreme or arbitrary or that would place any additional penalty on a vessel coming into this harbour other than is necessary

to protect life and limb. There isn't any doubt in law but that a foreign boat may come into this harbour with defective tackle or equipment; might employ its own stevedores, kill or maim them and—unless libelled by the injured workman and possibly his dependents—might leave without in any way accounting for the havoc so created; thus leaving the cost of maintaining the injured workman or his dependents to be borne by our citizens. Is there any doubt but that in the average case of disability—and I take it we would be in the same position—a workman does not think of his rights until he feels the pinch of need, by which time the vessel might be gone from our shores.

There are some further paragraphs, Mr. Chairman, but I shall not take time to read them. I think I have read sufficient to convince hon. members of the extreme need for safety regulations in loading and unloading ships.

I now come to a few cases which the workmen's compensation board have pointed out might have been prevented had there been proper inspection.

Claim No. 344409—N. J. Donovan: Head injury—fatal. Defective hook on beam spreaders opened out, flew across deck and struck man on head.

The board claims this accident could have been prevented had section 8 of the regulations sent in by the harbour board been in operation.

Claim No. 338533—P. McDonough: Fractured arm. Derrick fell, striking man on arm.

This might have been prevented had section 7 been in operation.

Claim No. 298594—G. B. Sparrow: Head injury—fatal. Ring bolt in bulkhead gave way, snatch block fell, striking man on head.

This might have been prevented had section 8 been in operation. I think I have read enough to convince the minister that regulations are necessary in order to protect life and limb in the province of British Columbia, and I assume that conditions are no different in other parts of Canada. By approving the regulations drawn up by the waterfront workers and the Vancouver harbour commissioners, I think the minister could give effect to the clause in the Canada Shipping Act which I have quoted.

Mr. STEVENS: Mr. Chairman, the hon. member has occupied an hour's time in reading communications which are on the files of the department, and in connection with which those of us who are in close touch with this matter have full and complete knowledge. For the past few months the minister in charge, myself and others who have taken a direct interest in this matter—more than merely talking about it on one or two occasions—have been endeavouring to find a suitable way of dealing with this matter, for which we have been desirous of seeking a remedy. At first it was thought that the by-law of the harbour commissioners to which the hon. member has referred on so many occasions to-night might have been the proper way to deal with it. However, after the by-law had been formulated, forwarded to Ottawa, and examined by officers of the department, it was learned that the harbour commissioners did not have the jurisdiction which we had at first supposed. Under such by-law it would have been useless to appoint inspectors, because the first case challenged would of course have disclosed the weakness of the whole procedure. Then the minister, his staff and myself sought other means to deal with the situation. It was hoped that amendments to the Canada Shipping Act might have been prepared for this session. That procedure was delayed, however, as hon. members know, because of the very extensive nature of the changes due to the statute of Westminster, which was completed only a few months ago. During the past week or two the minister and his officials have been studying the matter, and only yesterday I was in touch with the Department of Marine in connection with it. Possibly the situation may be met in part by instructing the inspectors of ship hulls and boilers to enlarge their inspections so as to include tackle. Personally I think there is still some question as to the soundness of that procedure—I will not say the advisability of it, but as to whether or not authority goes that far. It is thought, however, that the difficulty may be met in that way until such time as the general shipping act is amended, or until power could be given to the harbour board to pass regulations.

I wish to assure the committee that this matter has been under close observation and study by the department, its officials, the minister and myself, and has not in any sense been neglected. It must be recognized that in matters of this kind a pious wish that something be done is not sufficient; there is the question of working out the constitutional and technical details. True, we sometimes express a little irritation at delays, but in this instance I think the delays have been warranted, and every possible effort has been made to meet the situation. I do not know that anything further can be said on the subject at the present time. The minister, I know, will support me in what I say, that

without any unreasonable delay the matter will be completed. I might also add that there have been some changes in the senior officials of the Marine department which has made correspondence and discussions a bit awkward, because Mr. Johnston retired a little while ago, the deputy was ill for some time and the present acting deputy comes on the job without having knowledge of what has passed between myself and the other officials. This has caused delay, regrettable no doubt, but nothing further, I think, could have been done under the circumstances.

Mr. MacINNIS: I regret the Minister of Trade and Commerce had to go out of his way to find fault with the time I had occupied in bringing the matter to his attention, but I did not take even thirty minutes.

Mr. STEVENS: A solid hour.

Mr. MacINNIS: There were less than five pages in the letter, and I did not read the whole of it. I am not a very fast reader but I can read more than five pages in an hour. I pointed out that this matter had been before the department since 1919, that the present Minister of Marine had not been in office during part of that time, and that I was not finding any great fault with him, but simply drawing it to his attention. Surely we have the right to draw to the attention of the committee matters which affect the life and limb of workers in their daily avocations without being accused of taking up too much time.

Mr. NEILL: I heartily support the very able presentation of this case made by the member for Vancouver South (Mr. MacInnis). I do not quite grasp what the Minister of Trade and Commerce said as to what action would be taken. He said they contemplated giving authority to the steamboat and hull inspectors by enlarging their jurisdiction to include the inspection of tackle, but I understood him to say there was some possible objection even to that. If that is the case, the obvious remedy would be to amend the Canada Shipping Act in its entirety this session. But while that might not be possible, it would be quite simple to pass what I might term an interim revision of such sections of the act as deal with this matter. Do not let us have any mistake so that after parliament has adjourned we shall find that for another year the government is prevented from taking the necessary action. It would be a very simple matter to pass an amendment. Indeed I understood the minister to say on another occasion he was going to amend the Canada Shipping Act this session dealing with some specific thing which he named. If that is so, it would be very easy for him to take authority to do what is required to give full force and weight to whatever action may be necessary regarding this matter. I agree entirely with the member for Vancouver South, that it is of no use to appoint a man merely to advise these people. Some of these tramp steamer people are not open to advice; they will simply laugh at him. The hon. member read some regulations, one of which said the inspector should report any case to the minister, and he assumed that that would not mean reporting to the minister at Ottawa. To my mind it would, and it would be highly undesirable to have the thing hung up while the report was going to Ottawa, because in that time the boat would be loaded, somebody might be killed, and the boat would have sailed. Surely we should give the inspector power to order an immediate change in the tackle or other equipment, if faulty, and then if his action is found to be too arbitrary it would be subject to revision later on. That would ensure safety for the men in the meantime. I am much interested in this matter because we have the same situation on the west coast, where we are loading a large number of ships every year. Port Alberni is now the third largest shipping port in British Columbia, which gives an idea of the amount of business done there. We are having too many accidents. But you cannot expect one ship to go to considerable expense if others are not compelled to do so. Put them all on an even basis and give the inspector ample powers.

The member for Vancouver South, spoke of the workmen's compensation board having a safety officer. I had an opportunity on one occasion to observe the action of such an officer. I was coming down from a logging camp some years ago, and even to my untrained eye the roadbed was in a horrible condition. I said to the lad who was on the speeder bringing me down, "This roadbed is in a rotten condition." He said, "Yes, that is what the safety inspector told the boss yesterday." I made inquiries and found that the inspector had condemned a mile and a half of that track, and he did not allow an engine to move over it until the track was put in a proper state. Probably that saved a bad accident. There is no kick among the lumber people, for those who are alive to their responsibilities realize it is a good thing, and in the long run, economical, to have a man in that capacity. He does not ask unreasonable things, but he is down on the men who, as they say in lumber circles, run a "haywire" proposition. That is the sort of power we want to give the inspector in connection with the stevedore operations.

Item agreed to.

TRADE AND COMMERCE

Civil Government—Trade and Commerce—salaries, $554,310; contingencies, $40,000.

Mr. VENIOT: I note, Mr. Chairman, there is no reduction in contingencies, while in quite a number of other departments the contingencies have been cut down. Why were they not cut down in this department?

Hon. H. H. STEVENS (Minister of Trade and Commerce): The contingency vote is a comparatively small vote for the activities of this department, and we found on carefully scrutinizing it that it was impossible this year to cut it down.

Item agreed to.

The Canada Grain Act, including management, operation, maintenance and equipment of elevators, administration of, $2,400,000.

Mr. MOTHERWELL: I think the committee will remember, Mr. Chairman, that the Stamp commission report made a certain recommendation with respect to the appointing of a supervisor over the grain exchange. I wonder if the minister can tell us whether consideration has been given that recommendation, and if it is intended eventually to carry it out.

Mr. STEVENS: No action in that regard has been taken as yet.

Mr. LUCAS: Is it intended to take any action?

Mr. STEVENS: I could not give a definite answer at the present time. The matter is still under consideration.

Mr. MOTHERWELL: Has my hon. friend any information with regard to a similar appointment made in Chicago? Does the inspector appointed there seem to be of any use, or is the appointment looked upon as a nominal appointment to constitute a certain safeguard?

Mr. STEVENS: We are not satisfied that the official referred to by my hon. friend is of any real value. Of course we would not offer any criticism of the action taken by a neighbouring country, but we are not satisfied that it is really of any great advantage. However, the matter is still under consideration.

Mr. VALLANCE: I notice a decrease of $331,000 in this item. Could the minister tell us how he proposes to make this saving?

Mr. STEVENS: In the preparation of this estimate the Board of Grain Commissioners and the department must anticipate the possible requirements of the season. Of course it is quite impossible to make a precise estimate, because if the crop happened to be very heavy the services required would be much enlarged. It would be quite possible this year—and I would say it was quite likely—if we were fortunate enough to have an unusually large crop, that this estimate would not be sufficient. However, considering a normal crop we anticipate that the provision made here will be sufficient.

Mr. VALLANCE: Could the minister say whether it was necessary to use all the money voted last year for the operation of the act?

Mr. STEVENS: I think there is possibly $75,000 or $100,000 left, and of course out of the appropriation last year we paid all the administrative costs of the wheat bonus.

Mr. VALLANCE: What was the cost of the administration of the wheat bonus?

Mr. STEVENS: The administration of that bonus cost $107,000, or just about one per cent. It must be recalled that three million individual cheques were sent out, and I believe the cost of printing alone was about $40,000. The total cost for printing, mailing, clerical help and so on was about one per cent, or $107,000.

Mr. VALLANCE: Then in view of this decrease in the estimate are we to assume that it is not the intention of the government to continue the bonus this year?

Mr. STEVENS: At the moment that assumption is not germane to the discussion. As far as the Board of Grain Commissioners and their estimate are concerned, they have no instructions on that point. If anything of the kind is carried on this year an additional estimate will have to be brought down to take care of it.

Mr. VALLANCE: In view of the short crop that was grown last year, and the fact that of the total appropriation of $2,731,000 only some $100,000 is left, the minister cannot anticipate similar legislation this year when he makes a reduction of $331,000.

Mr. STEVENS: That includes reductions in salaries, and there were some improvements and extensions to elevators which are not anticipated this year.

Mr. VALLANCE: Is the elevator at Churchill completed?

Mr. STEVENS: That is not under this department; it is under the Department of Railways.

Mr. LUCAS: Could the minister state how the revenue compared with the previous year?

Mr. STEVENS: The revenue is down, necessarily. We have not the figures to March 31, because all the accounts are not in, but to February 15 the revenue was $1,229,000, in round figures, as against $2,144,000 for the previous year. Due to the comparatively short crop the revenue is down.

Mr. TOTZKE: Is anything included in this estimate for the operation of the elevator at Churchill?

Mr. STEVENS: No; that comes under the railway department.

Mr. TOTZKE: The operation of the elevator also?

Mr. STEVENS: Yes.

Mr. SPEAKMAN: Has the minister before him the total number of bushels handled through the terminals last year, and the percentages of the five or six practical grades?

Mr. STEVENS: That is all reported in the crop year report, and the report of the grain commissioners for the crop year was laid on the table the other day. I will look it up and get the figures in a moment.

Mr. TOTZKE: In the meantime perhaps the minister would tell us why the operation of the elevator at Churchill should come under the Department of Railways instead of the grain commission. Is the railway department equipped for that sort of thing?

Mr. STEVENS: The Churchill terminals were constructed by the Department of Railways as part of the Hudson Bay railway scheme. It is very much the same as the elevators in Montreal, which belong to the port of Montreal. It is similar to the Prescott elevator, which is a railway elevator, and to the elevator at Port Colborne.

Mr. VALLANCE: Then am I to understand that these elevators mentioned by the minister are not under the control of the grain commission?

Mr. STEVENS: The inspection of grain, the grading, the weighing in and out and so on, as in any other terminal elevator, is under the Board of Grain Commissioners, but the ownership, the cost of operation and the management are under the Department of Railways.

Mr. VALLANCE: Why are these elevators mentioned by the minister under the Department of Railways instead of the grain commission? What peculiar thing is there about those elevators that there is not about the others?

Mr. STEVENS: My hon. friend will of course realize that there are a great many terminal elevators in the country owned by private companies, and others are owned by the Canadian Pacific Railway Company and by the Canadian National Railways as part of their systems. It is a matter of very long standing. It has been going on for the last thirty years, and the National railways, now taking the place of the old Canadian Northern Railway, have carried on the policy of certain elevators being operated under their direct jurisdiction, just as the Canadian Pacific Railway did in years gone by.

Mr. TOTZKE: Then there is included a certain amount for the inspection and control of the elevator at Churchill.

Mr. STEVENS: In this vote?

Mr. TOTZKE: Yes.

Mr. STEVENS: There would be supplied under this vote the necessary inspectors and the usual officers of the Board of Grain Commissioners for the inspection and handling of grain.

Mr. TOTZKE: That comes out of this vote?

Mr. STEVENS: Yes.

Mr. TOTZKE: Then, in spite of the fact that the minister will have more expenditures this year, he is reducing the estimate by $300,000. Does he think he will have enough?

Mr. STEVENS: Yes. We have cut down on any extension to construction, and we have, of course, the usual wage reduction of ten per cent.

Mr. GARDINER: Do the Canadian National Railways operate any other terminal than Churchill?

Mr. STEVENS: Possibly I gave the wrong impression. It is the Railway department that operates the Churchill terminal. The Prescott and Port Colborne terminals are under the Railway department. I will now give the information asked for a moment ago by the hon. member for Camrose. The volume of grain handled by the five elevators in 1930-31 was: Port Arthur, 3,537,500 bushels; Moose Jaw, 4,539,454 bushels; Saskatoon, 1,771,984 bushels; Calgary, 3,044,196; Edmonton, 2,619,897. This makes a total of 15,513,031 bushels.

Mr. LUCAS: Can the minister also give the number of bushels that have gone through the eastern elevators at Halifax, St. John and Montreal?

Mr. STEVENS: The elevators at Halifax, St. John and Montreal are under the respective harbour commissions.

Mr. GARDINER: Has the minister any information as to the volume of wheat going through these elevators?

Mr. STEVENS: It is not in the report, so far as I can see at the moment.

Mr. SPEAKMAN: I assume it is under the inspection department.

Mr. STEVENS: Yes; my assistant will look it up.

Mr. VALLANCE: How many terminal elevators are operated to-day by the government?

Mr. STEVENS: The ones I mentioned a moment ago.

Mr. VALLANCE: Then all government-owned elevators are operated by the Railway department and not by the Department of Trade and Commerce under the supervision of the grain commission?

Mr. STEVENS: The elevators I referred to—Port Arthur, Saskatoon, Moose Jaw, Calgary, Edmonton—are operated under the Board of Grain Commissioners. The terminals at Port Colborne, Prescott and Churchill are operated under the Railway department.

Mr. VENIOT: And Halifax and St. John?

Mr. STEVENS: Halifax, St. John and Montreal are under the harbour commissioners of the respective places.

Mr. MOTHERWELL: Surely the Board of Grain Commissioners have supreme authority over the whole.

Mr. STEVENS: I have already stated that all of these, together with all privately-owned elevators in the country, scores of them, are administered under the terms of the grain act as regards inspection, grading, weighing-in and out and so forth. It is the ownership of elevators that we are speaking of.

Mr. MOTHERWELL: I asked the question for the reason that for some considerable time Montreal was hesitant about recognizing the authority of the Board of Grain Commissioners. Does it fully recognize that authority now?

Mr. STEVENS: Yes; I think it is working sweetly.

Mr. MOTHERWELL: It came along reluctantly.

[Mr. Lucas.]

Mr. GARDINER: As regards the terminal at Montreal, I notice that recently there seems to be trouble between the wheat pools and the commissioners of Montreal in respect to the using of pool wheat to fill orders belonging to other companies. What control has the grain commission over such procedure?

Mr. STEVENS: We have no direct jurisdiction over or knowledge of the point raised, but I understand—I am speaking now merely from hearsay—that there has been some dispute over something of that sort which is now in the courts. As I say, I am speaking with some hesitation because I am not well informed on the matter at the moment.

Mr. GARDINER: Probably the minister could give the committee some information with regard to the practice of the Board of Grain Commissioners in controlling the outflow of wheat from the terminals. Have they jurisdiction over the flow-out of wheat, apart from inspection, so that wheat that belongs to certain persons will not be shipped out to the order of some other company, other wheat being substituted?

Mr. STEVENS: The grain commissioners exercise fairly complete control over the output of the terminal elevators other than those in the east.

Mr. GARDINER: Other than those in the east? What is the reason for making an exception of those in the east, in view of the fact that they come under the grain commissioners? Why should there be an exception of the eastern as against the western terminals?

Mr. STEVENS: It will be recalled, of course, that up to a very few years ago the eastern elevators were not under the Board of Grain Commissioners—that is, so far as the full administration of the grain act was concerned. They now are, but the administration has not been carried to the point it has reached at Port Arthur or Vancouver. I am not able at the moment to give the reason for this. I presume it is a question of enlarging the jurisdiction of the Board of Grain Commissioners over the eastern terminals, and I am not certain that there is warranty for it. If the real necessity of it is disclosed there is no objection on the part of the board or of the department to arranging it or attempting to arrange it. Of course, we have to remember that the development of the grain export facilities in Montreal—we will speak of Montreal for the moment—is something that has grown up entirely under the control of the harbour commissioners and the authorities of

the port of Montreal, and I should not like to say that we will step in and arbitrarily do this or that. Up to the present time the control exercised has appeared to be adequate and satisfactory.

Mr. SPENCER: Is the cost of administration of the Canada Grain Act being met by the charges made thereunder?

Mr. STEVENS: There have been deficits both this year and last year, largely due to the amendments of 1930 and the enlarged service which is now given as compared with the service prior to the last amendment of the act.

Mr. GARDINER: I should like to come back to the question of terminals. It was my understanding at the time of the last revision of the act that the conditions applying to terminals other than at eastern ports would apply also to those at eastern ports. From time to time communications are received from eastern Canada, particularly from those cities where terminal elevators are located, upbraiding the western farmer for the fact that so much wheat is shipped through the United States. Only the last day or two such a communication was received from one of the eastern cities. If the harbour commissioners which are operating the eastern elevators object to coming under the control of the Board of Grain Commissioners to the same extent as do the elevators in Vancouver or at the head of the lakes, I cannot see how they can expect the western farmer or the grain firms doing business in western Canada to have the same confidence in their elevators as they have in those under the control of the board. The minister has made the statement that these eastern terminals were developed by the different harbour commissions, and seemed to imply that because of that fact there was some reason why they should not come under the control of the Board of Grain Commissioners to the same extent as do the other elevators. The minister is aware of the fact that although the terminal at Vancouver was a government undertaking it was finally turned over to the Vancouver harbour commission, and for a very substantial period of time after it was turned over, the development of terminal facilities was carried on wholly and solely under the control of the commission. As far as I know, the harbour commission at Vancouver has not objected to being completely under the jurisdiction of the Board of Grain Commissioners; consequently I am at a loss to understand why the elevators at St. John, Halifax and Montreal object, if they do object, to coming under similar jurisdiction. I should like to know if they have raised any real objection. If the eastern ports desire to obtain a greater volume of Canadian grain they must instil the same confidence in those who will use their ports as is now felt in those terminals which are under the control of the grain board. Has the minister any information as to whether or not the harbour commissions at Montreal, St. John or Halifax have registered any objection to coming completely under the jurisdiction of the Board of Grain Commissioners?

Mr. STEVENS: The ports of Halifax, St. John and Montreal are as completely under the jurisdiction of the Board of Grain Commissioners as is possible under the grain act as at present drafted. The mistake, if I may call it such, in the reasoning of my hon. friend is this: Vancouver, Prince Rupert and Port Arthur are what are known as inspection points at which inspection certificates are issued—terminal inspection certificates are not issued at the eastern outlets, as this would already be done at Port Arthur or Fort William. There is a question as to the advisability of making these eastern ports inspection points, and to do so would require an amendment to the act.

Mr. GARDINER: Do I understand that as far as outward cargoes are concerned, there is no inspection at any of these three ports?

Mr. STEVENS: That is right.

Mr. GARDINER: The certificate is merely transferred from Port Arthur or some other inspection point?

Mr. STEVENS: The certificate follows the grain.

Mr. GARDINER: What has been the experience with regard to complaints in connection with outward cargoes shipped from these ports, as compared with shipments from Vancouver or Prince Rupert?

Mr. STEVENS: For some years the conditions have been very satisfactory.

Mr. DUFF: Considerable discussion has taken place in the newspapers as to why more grain should not pass through the port of Halifax. It would be very informative if the minister could state to the committee the policy of the government in regard to endeavouring to have more grain shipped through that port.

Mr. STEVENS: The terminal at Halifax is not under the Board of Grain Commissioners, so that that information is not available at the present time. I shall try to have it by

the time the committee next meets, unless it is the desire of the committee to have this item passed before eleven o'clock.

Mr. DUFF: I do not think the minister understood my question. I asked if he could state to the committee the policy of the government with regard to trying to arrange for grain shipments through the port of Halifax.

Mr. STEVENS: I will obtain that information.

Mr. VENIOT: What quantity of Canadian grain was shipped through the ports of Halifax and St. John in the winters of 1929-30, 1930-31 and 1931-32?

Mr. STEVENS: I will obtain that information. I move that the committee rise, report progress, and ask leave to sit again.

Item stands.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Monday, April 11, 1932

The house met at three o'clock.

HOUSE OF COMMONS

VACANCY IN REPRESENTATION OF MAISONNEUVE

Mr. SPEAKER: I have the honour to inform the house that I have received notification of a vacancy having occurred in the representation of the electoral district of Maisonneuve in the province of Quebec, consequent upon the death of the sitting member therefor, Mr. Clement Robitaille.

I have accordingly addressed my warrant to the chief electoral officer for the issue of a writ.

Right Hon. R. B. BENNETT (Prime Minister): Will Your Honour be good enough to state the date of that notification?

Mr. SPEAKER: My recollection is the document was received on the date it is dated, namely April 6, 1932.

Right Hon. R. B. BENNETT (Prime Minister): Last Friday the right hon. leader of the opposition (Mr. Mackenzie King) asked a question with respect to the vacancy in the representation for the constituency of Maisonneuve. I find it a little difficult to understand why the inquiry was made in that form, inasmuch as the provisions of the House of Commons Act set out the method by which the Speaker is to be advised of a vacancy. Two members did sign a notice addressed to the Speaker regarding this vacancy on April 6; on April 7 the chief whip of the opposition addressed a letter to the Speaker of the house in the following words:

> Enclosed please find notice in due form signed by two members of the House of Commons, Messrs. St-Père and Deslauriers, advising you of the vacancy which occurred in the representation in the House of Commons, for the electoral district of Maisonneuve, by reason of the death of Mr. Clement Robitaille, K.C., of Montreal, member of the House of Commons for the electoral district of Maisonneuve, and asking you to issue a new writ for the election of a member to fill such vacancy, in accordance with the provisions of section 10 of chapter 145, entitled "An Act respecting the House of Commons," revised statutes of Canada, 1927.

In due course that letter was received by the Speaker, who on April 8 wrote the chief electoral officer enclosing the request in due form for the making out of a new writ for the election of a member to serve in the present parliament in the electoral district of Maisonneuve, Quebec. On April 9 the chief electoral officer wrote the Speaker acknowledging receipt of the notice. It follows that on Friday last, which was the 8th, the chief electoral officer had not acknowledged receipt of the notification of the death of the sitting member and of the direction to issue a writ accordingly, although the question was asked on Friday. It was not until the Speaker received the notification, which for some reason best known to hon. gentlemen opposite was not given previously, that the notice was sent to the chief electoral officer. The chief electoral officer was notified on Saturday last; to-day the Speaker made known to the house the fact that this had been done, so the government had no opportunity before Saturday last of learning that notification had been made as provided by law.

In the case of Athabaska the notice required by law was given by two members of parliament and, owing to climatic conditions to which reference was made, the writ was issued immediately for the poll. As hon. gentlemen doubtless have noticed, that poll was much larger than the one at the general election, and I was told—and I believe it is true—that it would be impossible to hold an election in that constituency during certain seasons of the year, owing to the difficulty of moving over the land when it is not frozen, or until it has dried out after the spring thaw. Therefore the writ was issued for that constituency in order to have the election before spring came on.

I think with this explanation it will be apparent to the house that not until to-day was the government in a position to take any action which might be desired with respect to Maisonneuve.

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): The statement just made by the Prime Minister would leave the impression that an obligation existed in law on the opposition to bring to the attention of the Speaker any vacancy existing in the House of Commons. The law is that any two members of the house may notify his honour the Speaker of the fact that a vacancy exists, and my question arose out of some surprise which we on this side felt that no member or supporter of the government had drawn to the attention of his honour the fact that a vacancy existed in the constituency of Maisonneuve and that the session was being allowed to go by with no endeavour made to fill that vacancy. The opposition took the course it did take at the end of last week because it became only too apparent that unless we moved in the matter the vacancy would in all probability not be filled, but there was no obligation resting on any member of the opposition to draw the existence of the vacancy to the attention of the Speaker.

Mr. BENNETT: In order that there may be no misapprehension let me repeat that any two members of the house can give the notice, but I challenge the right hon. gentleman to name any case in which notice has not been given by the opposition with respect to vacancies existing in constituencies formerly represented by members of their party. That always has been done; it has become a sort of custom.

Mr. MACKENZIE KING: In answer to that challenge I may say that I remember many occasions during the time I was Prime Minister, having vacancies in constituencies brought to our attention, and where we took action as a government without waiting for the opposition to give the notification.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

STAMP COMMISSION

Mr. BEAUBIEN:

1. What was the total cost of the Stamp commission, appointed by the government to investigate the trading in futures?
2. What amounts were paid to each of the three commissioners: (a) for fees; (b) for expenses?
3. What lawyers were engaged by the government or any department of the government on the commission, and what was paid to them: (a) for fees; (b) for expenses?

Mr. BENNETT: The answer to the first question, Mr. Speaker, is $9,218.22, but that does not include any expenditures by way of salaries to permanent officials of the Department of External Affairs.

In answer to the second question, no sum was paid for fees to any of the commissioners, but for expenses Sir Josiah Stamp received $2,120.57; Chief Justice Brown, $1,198.16; Mr. W. S. Evans, $1,101.73. Sir Josiah Stamp declined to accept any fee for his services, and, as has been intimated, a piece of plate was presented to him. Chief Justice Brown expects to be paid some small honorarium for his services, an appropriation for which will be included in the supplementary estimates, no amount having been determined.

In answer to the third question, the only legal adviser employed was Mr. S. T. Sweatman, K.C. He has not yet been paid for his services. For expenses he received $988.50.

That is the only information at the moment that I can give the hon. gentleman, except to repeat that the disbursements do not include the salaries of the permanent officials of the Department of External Affairs, who, especially in the person of Mr. Pearson, gave some services to the commission.

SALMON TREATY

Mr. REID:

1. Have any representations been made by the province of British Columbia or any official of any department of the province of British Columbia, suggesting or asking the Dominion government to consider the advisability of depleting the salmon in the Fraser river in the event of the salmon treaty now before the United States government not being agreed to?
2. If so, are any such suggestions or recommendations being seriously considered by the Dominion government?

Mr. BENNETT: The answer is no, Mr. Speaker, unless the hon. gentleman includes an official letter written by one of the officials in western Canada to a gentleman in Ottawa. No representations have been made in the sense in which the question is asked.

NEW FACTORIES IN CANADA, 1921-1930

Mr. COTNAM:

1. How many new factories located in Canada during each year from 1921 to 1930?
2. How many factories closed their doors, each year from 1921 to 1930?
3. How many new factories located in Canada from September 1, 1930, to date?

Mr. STEVENS:

1. Information not available.

2. Information not available.

3. 139 branch factories are recorded as having been located in Canada by outside capital (United States, Great Britain, and other foreign countries) since September 1, 1930.

RAW WOOL IMPORTS, 1931

Mr. EDWARDS:

1. What were the Canadian imports, in pounds, of raw wool, from: (a) Australia; (b) New Zealand, for the year 1931?

2. What were the imports, in pounds, of Cape wool, for the years 1929, 1930, 1931?

Mr. STEVENS:

1. Canada's imports of raw wool, in pounds, from (a) Australia, and (b) New Zealand, for the calendar year 1931, were:

Classification	(a) From Australia	(b) From New Zealand
	Pounds	Pounds
Wool in the grease	409,512	1,590,896
Wool, scoured or washed	381,747	162,192
Wool, pulled or sliped	—	269,665
Hair of the camel, alpaca, goat or other like animal, not further prepared than combed	3,609	91,699
Total imports of raw wool	794,868	2,114,452

2. No statistics available as to Canada's imports of Cape wool. During the calendar years 1929, 1930 and 1931 Canada's imports of raw wool, in pounds, from British South Africa were:

Classification	1929	1930	1931
	Pounds	Pounds	Pounds
Wool in the grease	—	18,655	12,683
Wool, scoured or washed	223,898	307,390	231,589
Wool, pulled or sliped	—	8,389	—
Hair of the camel, alpaca, goat or other like animal, not further prepared than combed	—	—	—
Total imports of raw wool	223,898	334,434	244,272

FOREIGN WOOL

Mr. EDWARDS:

1. What quantity of foreign wool was retained in Canada for the years 1930 and 1931?

[Mr. Cotnam.]

2. What quantity of Canadian wool was retained in Canada for the years 1930 and 1931?

Mr. STEVENS:

1. The estimated quantity of foreign raw wool retained in Canada for the calendar years 1930 and 1931, was:

Imports of raw wool	1930	1931
	Pounds	Pounds
Wool in the grease	2,501,761	3,322,061
Wool, scoured or washed	5,054,599	5,773,626
Wool, pulled or sliped	831,817	1,153,075
Hair of the camel, alpaca, goat or other like animal, not further prepared than combed	1,070,821	604,739
Total imports of raw wool	10,458,998	10,853,501
Less exports of foreign raw wool	70,904	26,776
Estimated quantity of imported raw wool retained in Canada	10,388,094	10,826,725

2. The estimated quantity of Canadian raw wool retained in Canada during the calendar years 1930 and 1931, was:

	1930	1931
	Pounds	Pounds
Estimated production of raw wool	21,000,000	20,000,000
Exports of Canadian raw wool	4,382,000	4,770,000
Estimated quantity of Canadian raw wool retained in Canada	16,618,000	15,230,000

SOLDIER SETTLERS

Mr. WOODSWORTH:

1. How many soldier settlers are employed by the Soldier Settlement Board?

2. Have these employees made their payments and paid their taxes up to date?

3. If not, how much do they owe?

4. How many of these men are single?

Mr. GORDON:

1. 35.

2. Twenty have made their payments and paid taxes in full; fifteen in arrears are paying in monthly instalments.

3. $3,357.45.

4. One, single; one, widower.

NOVA SCOTIA INDIANS—PHYSICIAN

Mr. DUFF:

1. Who has been appointed physician for the Indians of Richmond county, Nova Scotia, and Chapel island, Nova Scotia?
2. What salary or remuneration does he receive?

Mr. MURPHY:

1. The position of physician to the Indians of Richmond county and Chapel island has been advertised by the Civil Service Commission. No appointment has yet been made.
2. Remuneration is at the rate of $300 per annum, with an allowance of $200 per annum to defray the cost of drugs.

UNEMPLOYMENT AND FARM RELIEF—ONTARIO AND QUEBEC

Mr. FERLAND:

What amounts were expended in the provinces of Quebec and Ontario to assist the farmers, pursuant to the act embodied in chapter 58 of the statutes of Canada, 1931, unemployment and farm relief?

Mr. GORDON:

Under the provisions of the Unemployment and Farm Relief Act, 1931, agreements were entered into with the provinces of Quebec and Ontario by which the Dominion government contributed to provincial expenditures for provincial works, including highways, and to municipal works to be carried out for the relief of unemployment. In addition the agreements provided that the Dominion government would contribute to the expenditures of the provinces and the municipalities for direct relief, that is for food, fuel, clothing and shelter, where suitable work could not be provided for the unemployed.

Full details of the agreements entered into and the commitments of the Dominion government to the provinces of Quebec and Ontario are included in the report of the dominion Director of Unemployment Relief which was tabled on March 9.

There is no information available as to what relief works were carried on by the provinces and the municipalities for the relief of farmers as distinguished from those following other callings.

IMPORTS AND EXPORTS, 1931

Mr. FERLAND:

1. What were the imports to Canada in 1931, from the following continents: Europe, Asia, Africa, Oceania, South America, and the United States?
2. What were the exports of Canada during the same period, to said continents?

Mr. STEVENS:

1. Canada's imports from the continents of Europe, Asia, Africa, Oceania, South America, and the United States, for the calendar year 1931, were:

Imports from—	
Europe	$ 162,085,527
Asia	19,559,668
Africa	6,698,970
Oceania	10,941,346
South America	17,400,330
United States	393,775,829

2. Canada's domestic exports to the continents of Europe, Asia, Africa, Oceania, South America, and the United States, for the calendar year 1931, were:

Domestic exports to—	
Europe	$ 251,885,183
Asia	29,586,109
Africa	12,368,431
Oceania	10,278,041
South America	10,167,169
United States	257,078,170

CHAMBLY CANAL SUPERINTENDENT

Mr. GOULET:

1. Was the former superintendent Mr. Robitaille, of the Chambly canal, dismissed?
2. If so, why?
3. If he tendered his resignation, what was the reason?
4. What was the age, occupation, and where was the residence of Mr. Cantin when he was appointed as superintendent?
5. Was he then an employee of the government?
6. If so, since what date and what was his occupation?

Mr. MANION:

1. No.

2. Answered by No. 1.

3. Answered by No. 1.

4. Age, 51 years; occupation, acting superintendent, Chambly canal; residence, Chambly Basin.

5. Yes; temporary employee.

6. Since March 1, 1931, as acting superintendent, Chambly canal.

SPECIAL COMMITTEES

Mr. POULIOT:

1. What were the special committees: (a) of the House of Commons; (b) of the Senate during the session of 1931?
2. What are the special committees: (a) of the House of Commons; (b) of the Senate for the present session (1932)?

Mr. SPEAKER: Question 32 will be struck out. Information regarding the Senate should not be asked in this house. The hon. member can himself get the information from the records of the Senate.

GEDEON GRAVEL—EUGENE DUSSAULT

Mr. POULIOT:

1. What are the positions of and what duties are performed by Mr. Gedeon Gravel, in the city of Montreal, and Eugene Dussault in the city of Quebec, in connection with any department of the federal government?
2. On whose recommendation were each of them appointed, and at what date?
3. Why were they appointed?
4. What is the salary of each of them?
5. Are there, outside of the province of Quebec, federal government employees who perform such work?
6. If so: (a) what are their names; and (b) in what provinces?

Mr. GORDON:

1. Messrs. Gedeon Gravel and Eugene Dussault are assistants to the Dominion Director of Unemployment Relief, Department of Labour. Copy of instructions issued to assistants to Dominion Director of Unemployment Relief is attached hereto.

2. Both were appointed November 5, 1931, the appointments being recommended by the Minister of Labour.

3. To carry out the instructions as set forth in the answer to No. 1.

4. $225 per month.

5. Yes.

6. (a) P. L. Spicer, Lt.-Col. G. C. MacLean, Lt.-Col. J. B. Harstone, M. H. McGeough; (b) Nova Scotia, Manitoba, Alberta, British Columbia.

General instructions

Staff

1. No appointments can be made except by order in council.

Supplies

2. Requisition for supplies needed should be forwarded to this office.

Rent of premises

3. No premises may be rented except on authorization from this office.

Provincial reports

4. Statistics and expenditure reports are received at Ottawa from province. Specimens of forms used will be furnished to you. Assistant to director will be called upon to secure any special reports from provincial authorities when necessary.

Cost of administration

5. No portion of provincial or municipal administration charges may be paid (See general regulations P.C. 2043, clause 13).

Expenses

6. All expenses for travelling must be approved by assistant to director for province and all expenditures over $2 covered by voucher. In the case of hotel expenses the statement of account issued by hotel to be attached.

Weekly report of localities visited

7. A weekly report is required showing projects visited.

Correspondence

8. Correspondence should be brief as possible.

Deductions

9. Deductions from wages of workers are not allowed for any reason whatever, except in the case where the worker is engaged in camps at a specific rate of pay and a certain deduction is to be made for board. No amounts for taxes may be deducted from the worker's pay. Municipal authorities must pay the workers, in full, amount of wages due them for their work.

Percentage of labour to total cost of works

12. Note clause 14 of dominion-province agreement, "of the amounts expended pursuant to provisions of clauses 6, 8, 9 and 10 hereof not less than forty per centum thereof shall be expended for labour unless a modification of this requirement is previously agreed to by the Minister of Labour."

Press comments

13. Any articles appearing in the local press adversely criticizing the administration of the unemployment relief should be investigated when practical with a view to establishing the accuracy, or otherwise, of such statements, and steps should be taken to rectify any failure to comply with regulations.

Complaints

14. In taking action on complaints referred to you, effect an adjustment if possible.

Relief camp conditions

15. If relief camps are not properly organized as to housing, board, sanitary conditions, etc., direct the attention of the proper authorities to the matter.

Correspondence

16. Forward to this office copies of all communications addressed by you to provincial or municipal authorities. Address communications to "Dominion Director of Unemployment Relief, Department of Labour, Ottawa."

Direct relief

17. See that only such relief be given as is specified in general regulations P.C. 2043, when said relief is being contributed to from federal funds.

List of approved works

18. Lists of works approved under the agreement with province will be furnished to you. If you find any works being carried on to which it is proposed that the federal government should contribute, other than those appearing on the lists sent you, advise the dominion unemployment relief branch, Department of Labour, Ottawa.

Memorandum for field representatives of Dominion Unemployment Relief Branch

Cooperation with provincial authorities

1. Officials of the dominion unemployment relief branch will cooperate with the provincial authorities to the end that the need of the unemployed is relieved.

Technical detail covering projects

2. Technical details of construction of projects are under the control of provincial and municipal authorities, or, in the case of federal projects, the appropriate department of the Dominion government.

Employment selection

3. Duties should include protecting federal interests along the lines of seeing that those in need are given employment regardless of race, religion or political affiliation.

Employment service of Canada

4. The employment service of Canada should be used wherever possible as medium for hiring labour.

Returned soldiers

5. At least 10 per cent of men employed should be returned soldiers if available.

Married men

6. It is preferable that married men or single men with dependents be given preference on work where they reside.

Elimination of case not in need

7. On investigation if it is found that men not in need are employed, or men are not properly employed according to regulations, such cases should be followed up with proper authorities with a view to correcting condition.

Hours

8. The maximum day is eight hours, unless otherwise previously approved by the Minister of Labour.

Wages

9. See that the wages as set forth and authorized by the province or municipality are being paid and that clause 8 of general regulations, P. C. 2043, is respected.

Deductions for board

10. See that deductions for board (or medical treatment in relief camps) is according to provincial regulations.

Transportation

11. A memorandum is being sent you setting forth the arrangements for reduced transportation charges for workers going to relief work.

QUESTIONS PASSED AS ORDERS FOR RETURNS

NEW BRUNSWICK INDIAN RESERVATIONS

Mr. VENIOT:

What firms sold supplies to Department of Indian Affairs for the Indian reservations in New Brunswick in 1930 and in 1931?

MILITARY EQUIPMENT PURCHASES

Mr. DORION:

1. From 1921 to August, 1930, did Canada purchase from other countries, arms, ammunition, and other military equipments?
2. If so: (a) on what dates; (b) from what countries; (c) for what amounts; (d) what quantities as to arms, ammunition and equipments; (e) what was the total cost as to arms, ammunition and equipments?

ST. JOHNS, QUE., MILITARY SCHOOL

Mr. RHEAUME:

1. What is the number of officers attached to the military school at St. Johns, Quebec?
2. What is the rank of each, respectively?
3. What is the monthly salary of each, respectively?
4. How many privates are there in the service at said military school?
5. What is the monthly salary of each, respectively?
6. How many horses are in the service of said military school?
7. What are the names of the purveyors, and their place of business, who supply said military school with the following articles: coal, wood, groceries, ice, meat, vegetables, bread, milk, medicines, hay, grain, straw, and what quantity, and at what price were each of said articles supplied to the military school by these purveyors, from January 1, 1931, to April 1, 1932?

UNEMPLOYMENT AND FARM RELIEF

Mr. FERLAND:

What amounts were expended in the provinces of Quebec and Ontario to assist the farmers, pursuant to the act embodied in chapter 58 of the Statutes of Canada, 1931, unemployment and farm relief?

UNOPPOSED MOTIONS FOR PAPERS

UNEMPLOYMENT AND FARM RELIEF—ALBERTA

Mr. GARDINER:

For a copy of all correspondence, telegrams, and other documents, passing between the federal government or any department thereof and the provicial government of Alberta or any department thereof, in relation to unemployment and farm relief.

Mr. BENNETT: There should be some date stated within which this is to apply.

Mr. GARDINER: Since the first of August last will be satisfactory.

Mr. BENNETT: Since the first of August, 1931.

Motion as amended agreed to.

POINT TUPPER, LOUISDALE, POULEAMOND AND L'ARDOISE, N.S., WHARVES

Mr. DUFF:

For a copy of all papers, correspondence, reports and paysheets, giving in detail the name of each person employed and the amounts paid for labour as well as the amounts paid for material, and the names of the persons from whom it was purchased, in connection with the building of wharves at Point Tupper, and at Louisdale, Nova Scotia; and also the same information with regard to repairs or extensions to wharf at Pouleamond, Nova Scotia; and also the same information regarding the extension or repairs of breakwater at L'Ardoise, Nova Scotia.

JOLIETTE, QUE., ARMOURY

Mr. FERLAND:

For a copy of all correspondence, contracts, telegrams, publications and tenders, in connection with the work done on the Joliette armoury, in 1930, first contracted by Alphonse Durand and finished later by another contractor.

JOLIETTE, QUE., LETTER CARRIER SERVICE

Mr. FERLAND:

For a copy of all correspondence, telegrams, instructions, orders issued by the government or Post Office Department, in 1930, and all other documents in connection with the establishment of a letter-carrier service in the city of Joliette, including reports by the Civil Service Commission, the procedure of the latter, examinations, eligible list of the postmen in Joliette, and a list of articles which were forwarded to Joliette to organize the service of letter carriers.

[Mr. Rheaume.]

WEST BACCARO, N.S., BREAKWATER

Mr. RALSTON:

For a return showing the tenders and quotations received for logs, iron and other material in connection with the expenditures of moneys in connection with the repairs of the breakwater at West Baccaro under the vote provided in the estimates of 1931-32 or under the Unemployment and Farm Relief Act of 1931, and a copy of all vouchers, accounts, bills, memoranda, papers or other documents in connection with procuring quotations or tenders and with the purchase of such logs, iron or other materials.

LOCKEPORT, N.S., PREVENTIVE OFFICE

Mr. RALSTON:

For a copy of all documents, letters, telegrams, reports, correspondence, and other papers containing any entry or relative in any way to the dispensing with the services of A. L. Peterson, as preventive officer at Lockeport, Nova Scotia, in the fall of 1931.

JANSEN, SASK., POSTMASTERSHIP

Mr. TOTZKE:

For a copy of all correspondence, reports, evidence, petitions, and other documents, in connection with the dismissal of Ernest J. Symons, postmaster at Jansen, Saskatchewan, and the appointment of his successor.

SEED GRAIN—MANITOBA

On the orders of the day:

Mr. J. L. BROWN (Lisgar): May I ask the Minister of the Interior (Mr. Murphy) if he is in a position to furnish the information we asked for last week when his estimates were before the house with regard to seed grain furnished to the farmers of Manitoba?

Hon. T. G. MURPHY (Minister of the Interior): Yes, Mr. Speaker, the information will be ready in the course of a day or so.

CANADIAN NATIONAL RAILWAYS

LAY-OFF OF SHOP WORKERS AT TRANSCONA AND OTHER POINTS ON SYSTEM

On the orders of the day:

Mr. J. P. HOWDEN (St. Boniface): I desire to bring to the attention of the Minister of Railways a message which I have received with respect to the Transcona shops situated in my constituency. The message is as follows:

We the undersigned committee were instructed to forward to you the following resolution:

Whereas the shop employees of the Canadian National Railways at Transcona and Fort Rouge in mass meeting assembled, April 8th,

called to discuss the serious situation brought about by the threatened reduction of around 1,157 men, are determined to resist to their utmost any reduction in staff:

Therefore be it resolved that this mass meeting wire Premier Bennett, the Minister of Railways, the Minister of Labour, Sir Henry Thornton, and all Manitoba members of parliament, demanding the cancellation of the proposed reduction, and further demanding the establishment of the six-hour day, five days a week, in order to divide the work available amongst the present staff, and that we further desire them to understand that the officers of Division No. 4, who, without our vote or voice, put over both the wage reduction and the threatened reduction in staff, do not represent the shop employees of western Canada.

(Sgd.) W. Bain,
T. Mullock,
H. Walker,
W. McCallum,
Committee elected by mass meeting.

The question I wish to direct to the government is whether this matter is being taken into consideration and whether we may expect a statement in response to this communication.

Hon. R. J. MANION (Minister of Railways and Canals): This matter has been brought up in the house at least half a dozen times by other members in whose constituencies shops are affected, and I have stated on every occasion that the matter has been taken up by the government, through myself, with the management in an effort to have the number laid off as small as possible. The management claim that they have done this and that they are laying off really only about half the number that was originally intended, because of the fact that they succeeded in getting the representatives of the men to cut down the number of hours per week worked by each man, so that they spread out work over more men. I think since Saturday there has been a committee of the management from Montreal dealing with the question in Winnipeg, and I heard indirectly, though it is absolutely unofficial, that they had come to some better understanding, though I am quite sure it will not be satisfactory to all the men, because the management claim they have a great many men for whom they cannot possibly find work. They take the attitude, naturally enough, that under present financial conditions they should not be expected to keep men for whom they have no work.

The government have done everything possible to have the work spread out, but the matter is entirely in the hands of the management. I have been asked by the hon. member for St. Ann (Mr. Sullivan) and by the hon. member for Westmorland (Mr. Price) in regard to the shops in their constituencies. All the shops in the country are affected, but I am quite sure the management are doing everything possible to make it as easy as they can for the men.

UNEMPLOYMENT AND FARM RELIEF

CONFERENCE OF GOVERNMENT WITH PROVINCIAL PREMIERS

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I would like to ask the Prime Minister if he is in a position to make a statement with regard to the conference of Saturday last with the premiers of the provinces, or if not, if he could indicate when such a statement might be made.

Right Hon. R. B. BENNETT (Prime Minister): I do not propose to make a statement now, but at an appropriate time, when the resolution providing for additional legislation is before the house, a statement will be made.

INSURANCE TAX

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): I should like to ask the government if its attention has been directed to the following communication which appears in the Ottawa Journal of to-day, and which is a Canadian Press despatch by direct wire from Toronto, dated April 10:

The Dominion government has decided to withdraw the proposed 15 per cent tax upon gross premiums paid by Canadian policyholders in British and foreign insurance companies, Colonel W. H. Price, Ontario Attorney General, said to-night.

Colonel Price made the announcement on his return from Saturday's parley between the Dominion government and officials of the nine provincial governments.

I should like to ask if that statement indicates the intention of the government and, if it does, whether in the opinion of the government an announcement of that kind should not have been made in the House of Commons before it was made in any other quarter?

Hon. E. N. RHODES (Minister of Finance): I may say that it is news to me as to what is to be the attitude of the government with regard to this particular question. I can assure my right hon. friend that if there is any question of amending the proposed resolutions that action will be first brought to the attention of the house, which of course, is the proper procedure.

Mr. STEWART (Edmonton): Another newspaper gone wrong.

Mr. BENNETT: It will be noticed that nobody connected with the government made any statement with respect to it. No one connected with the administration made any statement; it was made by somebody else. In the same way, with respect to the conference itself, if there is anything to be said, it will be said in the house.

CANADIAN NATIONAL RAILWAYS

PRINCE EDWARD ISLAND RAILWAY—CAR FERRY SERVICE

On the orders of the day:

Mr. A. E. MacLEAN (Prince): I wish to ask a question of the Minister of Railways. According to newspaper reports and a telegram I have received, with respect to the new time table for the Prince Edward Island railway, the second trip of the car ferry makes provision for passengers only as far as Summerside; no provision is made to carry them through, west. The same applies to the return trip in the morning; there is no connection west of Summerside with the first trip of the boat. This early connection was established to take care of the express shipment of live lobsters from that point as well as to accommodate passenger traffic. I would ask the Minister of Railways to bring this matter to the attention of the management in order that the same service that has been given for the past three or four years may be continued.

Hon. R. J. MANION (Minister of Railways): As the hon. gentleman implies, this is a matter for the management. However, I shall gladly direct his remarks to their attention.

THE BUDGET

DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Wednesday, April 5, consideration of the motion of Hon. E. N. Rhodes (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means.

Hon. J. L. RALSTON (Shelburne-Yarmouth): At the very outset, Mr. Speaker, I wish to extend to my hon. friend the Minister of Finance (Mr. Rhodes) my sincere congratulations on his attainment to the very important portfolio which he now holds. I also congratulate him upon what I may term the businesslike budget statement which he has presented to the house. That does not mean that there is not in that statement a good deal which I shall have to criticize. At the same time I do believe that the country will recognize in the hon. gentleman's budget generally a businesslike statement and one which succinctly sets out the position of the dominion as my hon. friend sees it.

It is somewhat unique that the hon. gentleman who moves the house into ways and means and the individual selected to reply should happen to be fellow townsmen. This, I suppose, is possibly a circumstance that does not happen in a lifetime. I want to say to and of my hon. friend that he and I have been personal friends for a good many years; as a matter of fact, Mr. Speaker, I sometimes make the boast, or perhaps I should say the confession, that I am responsible for the hon. gentleman's entry into public life. Some twenty-four years ago he and I ran an election and I permitted him to get the most votes. Judging, however, by the situation in which he found himself the other day, I doubt whether it would not have been distinctly to his advantage had I insisted on defeating him on that occasion. He and I have never expected nor given very much quarter in political life so far as public records or affairs were concerned; and while I shall criticize, and I must say condemn in unmeasured terms, some of the matters to which he has referred, at the same time that shall not interfere with the warm personal friendship we have, nor with my regard for him as a distinguished Nova Scotian who has attained a high and important place in the councils of his party. My hon. friend has delivered what is supposed to be a résumé of the achievements of the government and of his party in matters which more closely affect the lives of Canadian citizens than any other, namely, the country's financial condition. I have heard of colourless budgets, and I want to say —and everyone who heard the budget or who has read it will, I think, agree with me in this—that this was no colourless budget; if any budget was ever a deep indigo it was the budget delivered by my hon. friend a few days ago. My hon. friend, as a competent advocate, endeavoured to extract some crumbs of comfort for the benefit of his followers in the house, and I was amused to observe the three occasions on which any applause was given his statement, except such as was vouchsafed him at the beginning and at the end. It was interesting to note the points on which the applause was given.

My hon. friend made some statement like this: that Canada had reason to look back with satisfaction on the past year in view of the fact that all external debts had been met. There was some faint applause from my hon. friends opposite, following this statement. But let me ask you, Mr. Speaker: Have we ever

had to boast in this country about Canada having met her debts, either domestic, or external? Is there any particular reason for gratification that this country, with its resources, has at least been able to meet her external debts at this time? Is not the hon. gentleman's statement one which would rather create the apprehension that possibly we might not have been in the best position to meet our external debts?

I would point out to the house and to my hon. friend, who already knows, just how Canada did meet her external debts. Canada had $25,000,000 falling due on April 1 last, and paid that $25,000,000 in New York in cash. But what did she pay it out of? She paid it out of $100,000,000 borrowed the year before, $25,000,000 of which was set aside for the purpose of paying that loan. Canada also met $52,000,000 in, I believe, November last. How did she meet that? My hon. friend's budget statement shows that it was met in this way. It was met by refinancing seventy per cent of it under the conversion loan; which means that about $39,000,000 was taken up and replaced by long term loans, twenty-five year bonds, under the provisions of the conversion loan—not paid off, mark you. What was done with the balance? What was done in connection with the balance of $13,000,000 almost sounds like shoestring financing. That $13,000,000 was offered by tender to the public; $4,500,000 was all that was subscribed of that loan, the balance having to be finally paid out of the national service loan—another loan and another borrowing. I ask whether or not there was particular reason for applause on that statement from the Minister of Finance, which was one of the three points on which my hon. friend was applauded.

But I want to compare with that the record of the immediate predecessor, not of my hon. friend but of the government now in office. On August 1, 1929, there was due $60,000,000 on a loan. Was it paid by a conversion loan? Was it paid by a new national service loan? Did we have to ask for new tenders for a loan? That $60,000,000 was paid by the late Hon. James A. Robb, then Minister of Finance, out of the revenues of the country and was thus retired. That was the way loans were retired then. On February 1, 1930, there was an amount of $20,000,000 falling due. That $20,000,000 also was paid out of revenue; it was not financed by pushing it along twenty-five years or by putting a portion of it up for tender or having it paid for out of some other loan which had to be made; it was financed out of the revenues of this country and even after that was done, a surplus was shown.

My hon. friends may say that those were different times, but what about England? England borrowed $200,000,000 from the United States which was to fall due next August. Sometime early in March, or at least six months before that loan was due, $150,000,000 was paid back to the United States out of revenues which were raised under the British budget. I do not think there is very much to boast of in connection with the fact that so far our external debts have been met.

To what else did my hon. friend refer? What other bright spot did he find for his friends in his budget? I noticed he spoke of the conversion loan, which was mentioned also last year by the right hon. the Prime Minister (Mr. Bennett), when making his budget speech. At that time it was not a part of the financial record of the particular year which he was covering but he very properly mentioned it as it had taken place before his budget speech was delivered. My hon. friend mentioned it as being a part of the record of the financial transactions of the year which he was covering, and he pointed out that there would be a substantial saving in interest as a result of the financing which had been done by this government in connection with the conversion loan. I remember the applause which greeted his announcement that in 1935 there would be a saving in annual interest of $6,000,000 and I could not help wondering at the capacity of hon. friends opposite for being thankful for small mercies. If they had cast their minds back over a few years they would not have found much reason for congratulation in that statement. This conversion loan has been talked of a good deal, and I shall mention it further in a moment. In connection with this particular feature, let me remind the house and let me remind this country, if I may, that during the last five years of the Liberal regime $257,000,000 of the funded debt of this country was paid and this country was saved about $12,500,000 per year in interest. That amount was not saved by putting out a conversion loan for future generations to pay, it was saved by the simple expedient of paying off principal. That is a record which my hon. friends might emulate but unfortunately they have not been able to do so. They have already obliterated the debt reduction which was made under the previous administration by the increase which has taken place in the public debt since the present government took office.

While I am dealing with the conversion loan I shall mention another matter brought up by my hon. friend. I said that, generally speaking, his statement was businesslike, and it was,

but I think my hon. friend's hand slipped a little when he was writing the paragraph in connection with the conversion loan. Let me read his statement, which is as follows:

> The time for this conversion loan was admirably chosen. Its execution was attended with outstanding success, and its effect upon our financial position has been marked. That this is so is due entirely to the vision of the Prime Minister whose conception it was and under whose guidance it was conducted.

Some hon. MEMBERS: Hear, hear.

Mr. RALSTON: I thought that about this time there would come a reiteration of that faint applause.

I always had the idea that the people of the Dominion of Canada had as much to do with the success of the conversion loan as anybody. I have not heard either the Prime Minister in his budget speech of last year or the Minister of Finance (Mr. Rhodes) in his of this year, pay tribute to the people who agreed to convert their bonds and to take in return long term bonds. I submit that that statement is perhaps hardly fair to the people of Canada who held victory bonds which were selling at that time for 104 and 105, and who were asked to convert those bonds for bonds which are now selling at 92 or 93. I do not think they will altogether relish the idea that all they have done is simply to pay for a testimonial to the Prime Minister. The Prime Minister has reason to be grateful that their response was such as it was but the people who in April and May of 1930 turned in bonds then selling at 105 for bonds which are now selling at 91 or 92 and bearing interest of four and a half per cent have perhaps some reason to complain when six months later the Minister of Finance of this country offers bonds at 99 bearing five per cent interest. I think the people have a right to complain of this financing and to say that perhaps too much credit is not due to the Prime Minister in connection therewith. My hon. friends may applaud if they wish but I submit that it would have been only justice to the people of Canada had the Minister of Finance paid to them the tribute which was due and acknowledged the part which they took when they turned in their bonds for the conversion loan and not to give the Prime Minister the "entire" credit. These people accepted a loss and that loss has continued to grow as the months go on. I know quite well the difference between the prices of long term bonds and short term bonds, and I realize that the national service loan and the conversion loan were two entirely different things. I do not think the right hon. minister can give too much credit to the investors of Canada for their having put through the conversion loan.

Another thing to which my hon. friend referred and in connection with which there was some more faint applause was the matter of the balance of trade. My hon. friend's words were these:

> Notwithstanding this unfavourable aspect of our external commerce, a very distinct improvement has taken place in the conversion of an unfavourable into a favourable balance. Starting last June, our exports commenced to exceed the imports and a surplus of exports over imports has continued month by month to date.

With all due respect to my hon. friend, I say to him quite frankly that he knows that that means nothing at all; he knows that the mere fact that we happen to have a $15,000,000 or $25,000,000 favourable balance of trade means absolutely nothing under the circumstances of trade as they exist at the present time. My hon. friend has misstated the case. He said that exports exceeded imports but that is not what happened—imports were less than exports by reason of the fact that my hon. friends have restricted imports. Our policy always has been to obtain a favourable balance of trade by expanding exports; our hon. friends' policy has been to restrict imports. That is the difference.

Let me give a simple, homely illustration to my hon. friend. This matter of the balance of trade has been the subject matter of a good many pages in books on political economy, and there has been some discussion thereon in this house. I turned up the reference made to it in 1930 by the Prime Minister, and I found that it was one of the few times when he skated most gingerly around the subject. He declined to commit himself as to whether an unfavourable balance of trade was a good or bad thing; all he said was that if it was a good thing to have a favourable balance of trade then it must be a bad thing to have an unfavourable balance. That is as far as he went. I submit that that is not so, and I shall endeavour to demonstrate my point in a moment. A couple settles down in the bush. They have nothing to do but clear the land and sell the wood which they cut. During one month of his operations the settler sells five cords of wood for which he receives $15. At the end of the month he comes home to his wife and says: "Wife, I have sold five cords of wood at $15 and I have a favourable balance of trade because I have spent only $12; I have $3 to the good." His wife replies: "Yes, and I have lived on two meals a day and the children are barefoot

and without clothes." Is it very much satisfaction to that settler that he has a favourable balance of trade?

I am going to deal with the situation in the light of the figures which the Minister of Finance has put on record and I want to show Canada's present position in this respect and how our services are being starved in order that we may worship this precious god of a favourable balance of trade about which my hon. friends opposite talk. An adverse balance of trade is a good thing if it indicates that the person against whom the balance is adverse has plenty of money to invest in foreign products and to bring them in. A favourable balance of trade is a bad thing if it means that the person in whose favour that balance is has starved himself in order to bring about that condition. When we come to look at the record which the Minister of Finance has put upon unrevised Hansard at page 1911, I do not think there is anything about which we should be very proud or concerning which we should make many boasts, in view of the downward trend of trade in the last three years. In the last three years the total trade of Canada was as follows:

Year Ending February 28, 1930	
Total trade of Canada.. ..	$2,188,594,000
Unfavourable balance.. ..	82,002,000
Decrease..	.....

Nobody worried very much those days about the unfavourable balance because we had in this country plenty of goods to pay for it if the time ever came when we would have to pay for it in this way instead of in gold.

Year Ending February 28, 1931	
Total trade of Canada.. ..	$1,591,940,000
Unfavourable balance.. ..	70,524,000
Decrease..	25%
Year Ending February 28, 1932	
Total trade of Canada.. ..	$1,067,603,000
Favourable balance..	25.491,000
Decrease..	33⅓%

These last figures are found in the statement given by my hon. friend and applauded by his supporters as a desirable state of affairs. They show a decline of 33⅓ per cent from last year and a decrease of practically 50 per cent from two years ago; yet because we happen to have a small favourable balance of trade of $25,000,000, my hon. friends opposite consider this something about which to boast. This is the best way to test a balance of trade. Let me ask them: Would you rather be back under the conditions of February 28, 1930, with an unfavourable balance of trade of $82,000,000, but a total trade of $2,188,000,000, or under present conditions with a small favourable balance of trade of $25,000,000, but a total trade shrunk by one-half? There is only one answer. I do not think my hon. friends opposite will derive very much comfort out of this idea of a favourable balance of trade.

Let me deal with another matter which arises out of the budget speech. A year ago the present Prime Minister delivered his budget speech and as reported on page 2168 of Hansard of 1931, this is what he said:

> I now come to what probably to some is the most interesting part of our discussion, namely, to what ways and means we shall resort for the purpose of providing the money to carry on the public business. I shall come first of all to a statement of anticipated revenues and expenditures. I will admit that this is the first time for many years that this country has had a budget. . . . Will any member on the other side of the house say that last year there was any estimate given of expected revenues? Was there any estimate given of expected expenditures? Was there any word given of a $75,000,000 deficit? What did they do? What the then government did was merely to bring down estimates for moneys to be raised by taxation without any estimate of what was to be realized. I said frequently in this house in those days, and I now repeat, that not in any municipal council in this country would the people tolerate their mayor and councillors conducting business without giving an estimate of expected expenditures and revenues for the current year. It is the basis of responsible government, it is the basis upon which representative institutions have been established, and that responsibility can only attach when there is some estimate as to what is being received by the country from the taxation imposed and as to what expenditures are to be made. So I propose under the heading which I have given to draw attention to these matters. I shall ask hon. gentlemen to go through the record of my predecessors in that regard during the last seven or eight years and see if they can find any such record there. I could have easily escaped doing so. All I would have had to do would have been to follow the example of my predecessors during the past eight years, and I would have escaped all responsibility for giving any figures of what the proposed income and expenditure will be during the present year.

Then he goes on to say:

> On the basis of existing taxation rates, the anticipated revenues in the present fiscal year will be $325,120,000.

Then on the next page, page 2169, he says:

> On the basis of the present volume of business, it is estimated that these additional taxes will yield $94,000,000 in a twelve months' period.
>
> To give a comparison of the estimated total revenues for the present year, with the actual revenues of last year, the following is submitted.

Then my right hon. friend gives a statement of the actual revenues of 1930-31 and

the estimated revenues of 1931-32. I shall read just the last column:

Estimated Revenues 1931-32	
Customs duties	$ 122,000,000
Excise duties	59,500,000
Excise taxes	99,000,000
Income tax	63,500,000
Post office	32,675,000
Interest on investments	8,800,000
Miscellaneous revenue	13,776,000
Total	$ 399,251,000
German reparation payment and miscellaneous receipts	4,044,000
	$ 403,295,000

Then he goes on:

With estimated expenditures of $410,273,000 exclusive of expenditures on capital account and advances to Quebec Harbour Commission, but including the balance of $13,000,000 of the unemployment relief appropriation of 1930 and estimated revenues of $403,295,000, the deficiency in revenues under expenditures, based upon the estimates made, will be some $7,000,000.

But this is interesting:

The $13,000,000 for unemployment relief is a commitment actually made in 1930-31, and would more properly be considered in the accounts of last year, but under the government's system of book-keeping, the actual disbursements not being made until this year due to the time necessary for the usual accounting formalities, they serve to add to the expenditures of the present year.

Now:

Taking this into consideration, the figures presented indicate a balancing of the budget by a substantial margin in respect of expenditures properly applicable to 1931-32, after excluding capital.

Let us examine into this. His total estimated revenue was $404,295,000. In order to arrive at the taxation revenue, I deduct from that Post Office, $32,675,000; interest on investments, $8,800,000; miscellaneous revenue, $13,776,000, and German reparation payment and miscellaneous receipts, $4,044,000, or a total of $59,295,000, and I find that the taxation revenue which my right hon. friend estimated for in his budget was $345,000,000. I want to compare that with the statement made by the present Minister of Finance as reported on unrevised Hansard of this year at page 1897. My hon. friend shows there, in the annual statement of taxation revenues, that the amount of $273,348,000 was received in 1931-32. In other words, my right hon. friend the Prime Minister was out in that budget he made—and in respect of which the principles of responsible government were going down to defeat if he did not carry them out—he is out the amount of $71,652,000. My right hon. friend also claimed it would be a balanced budget. I shall direct my remarks to that in a minute.

Then in order that I may do no injustice, I wish to compare his estimate of all revenues. So far I have dealt only with taxation revenues. His estimate of all revenues as contained in the 1931 Hansard at page 2169 is $404,295,000. At page 1898 of unrevised Hansard for the present session we find that the estimated revenue received for the year 1931-32 is $334,741,000. In other words the difference between the estimate made last year of the revenue and the revenue realized is $68,554,000. I mention that now, and I think we are entitled to bring the fact sharply to the Prime Minister's attention, in view of the fact that he has indulged in a great deal of criticism, condemnation and almost contempt with regard to the way in which previous Ministers of Finance have brought down their budgets. He has said time and again—and I notice in another debate he made this particular reference—that it is the essence of responsible government that these things should appear in the budget speech. He has tried it, and I want to ask this house with all due respect whether it is better to have a budget without an estimate as to future revenue, and at the same time have it come out on the right side of the balance sheet, or to have a budget with estimates which is $70,000,000 out of line.

I shall deal with a few individual inconsistencies. My right hon. friend figured that customs duties would produce $122,000,000. According to the figure of my hon. friend the present Minister of Finance, customs duties produced only $102,891,000. In other words, my right hon. friend was out about $20,000,000 on that item alone. Remember, Mr. Speaker, these were customs duties which were estimated on the basis of business continuing as it actually was at that time. He was boasting about making an estimate. All he had to do was simply to have a clerk in his office figure out the amount of moneys that had been brought in in that particular year, and then figure the same amount of business but applying the new rate. No magic wand had to be exercised to make this estimate. The thing that needed judgment, a judgment which my right hon. friend seemed to lack, was to forecast business conditions for this year, and to know whether or not the same amount of imports would come in as came in last year. That is where he lamentably failed. That is in reference to customs.

With regard to excise duties he estimated that we would receive $59,500,000. As a matter of fact there was collected only

$48,688,000. I find more difficulty with regard to the sales tax. His estimate combines two figures. First he takes the figure of $38,000,000 which he shows opposite excise taxes on his statement of revenues collected for the year 1930-31, plus $52,500,000 which he shows as estimated increase in sales tax, making a total of $90,000,000 estimated revenue from sales tax. That is, of course, if the first item refers to sales tax alone. Actually there was collected for sales tax instead of $90,000,000 only $41,271,000. That means of course that the trade of this country has gone down, and at a later time I will deal more at length with that point. I should like my right hon. friend to remember that there is one of the best examples of the condition of domestic as well as import trade in this country. We find that the receipts from sales taxes drop off nearly 50 per cent, when the rate was increased from one per cent to four per cent. In other words there was an increase in rate of 400 per cent. With regard to the income tax my right hon. friend might have said this, in explanation, "Well, I made that estimate expecting the income tax would produce very much more than it did, because of the fact that I proposed to increase the income tax." Strangely enough however he is deprived of even that comfort, because after having left the income tax at its old rate and not having increased it, he collected practically as much last year as he estimated under the new rate. So he gets no comfort from that at all.

And then we find that he was about a million dollars out in his estimate in connection with the Post Office Department. Let me point out that he estimated there would be an increase in post office revenue of about $2,175,000. How was that post office revenue going to be produced? It was going to be produced by the increased revenue derived from the additional one cent tax on letters. What happened was that the receipts fell off to the extent of about a million dollars, or more accurately, about $900,000. In other words, about $900,000 less of one cent stamps were sold than my right hon. friend expected. The trade which used the post office had fallen off under the régime of my right hon. friend.

Let us survey the expenditures. First, I should like to give my right hon. friend credit; he was not very far out in connection with his expenditures. What was the situation? He is only $25,000,000 out, and that may be explained—and I am willing to give him the benefit of the doubt—that may be explained by the fact that there was an expenditure of $25,000,000 in connection with unemployment relief. The expenditures which he estimated were $410,273,000. The expenditures which were made were $454,246,000. Then we should add to his estimates the capital account, which he did not include, of $18,484,000, and for the Quebec harbour commission $1,700,000, making a total of $430,457,000, leaving an increase over his estimated expenditure of $23,786,000. As I say, $25,000,000 was spent on unemployment relief. I think my hon. friend the Minister of Finance said he actually included the $25,000,000 expenditure in last year's statement.

But what is the sum total of it all? The situation is this: My right hon. friend intimated in the statement which I have read that the figures indicated a balancing of the budget by a substantial margin, in respect of expenditures particularly applicable to the year 1931-32. Let us see how near he came to balancing his budget. The actual expenditures were $454,246,000. We will take from that the $13,000,000 for unemployment relief, leaving $441,000,000. We will take off another $25,000,000 for unemployment relief which he says he did not count on, leaving $416,000,000. The actual revenue which was to balance that budget, according to my right hon. friend, was not $416,000,000, but $334,000,000, or a shortage of $81,000,000. That is what my right hon. friend regarded as a balanced budget. I am mentioning these facts because I hope he will not again in this house throw slurs with regard to people who do not make estimates concerning their budgets. People who live in glass houses should not throw stones. I put these facts on record so my right hon. friend will find that it is possible even for him to make mistakes with regard to estimates, and to present to the country a statement which is entirely misleading, as the facts actually show when the time for reckoning arrives.

I should like to make comment on my right hon. friend's remark about this being a budget. "Now" he infers, "We are going to present a budget what is a budget"—as the Irishman says. In the light of the facts it would seem that this budget is a good deal more like a bedtime story than it is like any statement of facts upon which we could depend, or a real estimate showing the country's financial condition. Because, after all in his remarks on the revenue items of the budget his emphasis was on the ability to make predictions, and in those predictions he has entirely failed. Let me read an extract from the remarks of a gentleman who, my hon. friends will agree, is an authority in financial matters, the remarks of a gentleman in whom my right hon. friend

the Prime Minister will perhaps place some credence. They are:

> The Chancellor of the Exchequer, in delivering his budget address in the British parliament, is always held to the strictest account to the extent to which he has been able to realize his expectations; and the extent to which his representations agree with the facts of the year under review.

Those words are found in Hansard of March 13, 1928, at page 1244, and they are the words of the Hon. R. B. Bennett when leader of His Majesty's loyal opposition.

On this point last session I said to my right hon. friend:

> Now let me say a word more with regard to my hon. friend's boast in regard to his budget. He boasts that this is a budget, and I presume he pledges himself to the estimate which he has made as being a fair forecast of what is going to take place with regard to financial operations this year. My hon. friend quotes scripture in this house occasionally, and I want to remind him of this scriptural injunction:
>
> Let not him that girdeth on his harness boast himself as he that putteth it off.
>
> Let us wait until next year and see whether or not his predictions with regard to revenue and expenditure will come true. I wish I could believe that his forecast is correct, and that only to the extent for which he has budgeted the revenues would be reduced, but I am afraid that will not be so. I warn him that people on this side of the house, and not only here but throughout the country generally, are very much concerned as to the situation in Canada and as to the policies which he has adopted towards our trade.

My right hon. friend has girded on the harness and he has put it off, and my hon. friend the Minister of Finance (Mr. Rhodes) is now taking the load of that office. I respectfully suggest that my right hon. friend cannot rid himself of the responsibility which he undertook last year when he criticized the budgets presented by his predecessors, neither can he escape responsibility for the forecast which he made on that occasion, and in view of what has actually happened since then I think it will be agreed that if what he presented really was a budget, he has not handed over the portfolio to the present minister a day too soon.

My right hon. friend the Prime Minister has had a number of hobbies in his time—stabilization of economic conditions was one of his hobbies upon which he expressed himself very emphatically during the election; "blasting" as a trade policy was another hobby; "balancing the budget" was yet another, and he was also fond of expatiating on maintaining the balance of trade. There must be no mistake in the house or in the country that this budget is not a balanced budget. Some of our newspapers seem to have an idea that the budget has been balanced. Let me point out that my hon. friend was very careful in that respect. He was rather adroit, but he was quite frank when he said that balancing the budget would extend to the "usual current governmental services"; that was as far as he thought we should go. He added that as to financing, the Canadian National Railways and unemployment relief would have to be left to take care of themselves. He admits that the estimated expenditures do not cover the figures for unemployment relief or our indirect liabilities with respect to the Canadian National Railways. I do not find any fault with him in regard to the latter liabilities because this financing has been dealt with separately since 1922; but in regard to unemployment relief, I submit after the experience we have had during the last two years a halt should be called in rolling up like a snowball the debt of this country in connection with current expenses which are incurred by reason of the default of my hon. friends opposite to fulfil their election promises. They promised to end unemployment.

Some hon. MEMBERS: Didn't they do it?

Mr. RALSTON: They promised work for all who were willing to work. They have not been able to make good those promises, and I am going to point out some of the reasons for their failure. I submit the reason why this budget is not balanced to-day is that my hon. friend the Minister of Finance—as a member of the government, not personally—has not the courage to face the people and endure the criticism he knows would be levelled at him if he imposed the taxes that are necessary in order to balance the budget. That is the situation, and the country might just as well understand it. Some people are saying of this budget, "Well, it might be worse." It might be, and the question is whether it should not have been worse if the government had done its duty. The government is throwing over to future generations the obligations for unemployment relief, which after all, is a current obligation—just as they did with regard to war expenditures, when they never levied a dollar's taxation to take care of those expenditures. I do not believe my hon. friend has done his duty in his first budget speech when he has not let the people know the exact position into which he and his government have driven this country—and the only way the people can know it is by paying taxes.

If my hon. friend expects there will have to be $25,000,000 spent for unemployment relief

this year, it would take another five per cent excise tax on imports in order to cover just that expenditure alone. You will understand now, Mr. Speaker, why my hon. friend does not put on that taxation. There would be different comment in the press if he had imposed that taxation. This talk about the budget "not being so bad" would have vanished into thin air, for the people would have realized who are in power and into what position the country was being led. There is not in this budget anything in regard to the wheat bonus. There is no announcement of the government's policy in regard to this matter. Nothing has been suggested in regard to a bonus to the fishermen, although a strong delegation met the cabinet a few weeks ago urging assistance along the same lines as the bonus to the wheat producers of the west. There is no provision whatever for additional subventions in connection with coal, although my friend the acting Minister of Mines (Mr. Gordon) says the government are considering the matter. I submit that these matters should be in the budget, and we should know what we are going to spend this year, instead of just having the usual government services provided for, but these other expenditures left out entirely and will not be dealt with until probably just before the close of the session. So I submit my hon. friend the Minister of Finance has not done properly by the country, or perhaps by himself, in leaving these matters on one side and not making in his budget the provision that was necessary for them. He should have taken the house into his confidence with regard to all the expenditures which will have to be made, for after all these expenditures involve taxation.

With regard to unemployment relief, I find a great deal of difficulty—no doubt my own fault—in understanding exactly what commitments have been made. My hon. friend was good enough to instruct his officers to give me all the information possible, and I desire to express my appreciation of his courtesy, but I did not know of that until Friday or Saturday morning, and it was only this morning that I was able to get together some of the data I desired. I have not had an opportunity to digest some of the information in regard to unemployment relief. The information which I get from the budget speech does not seem to correspond with the information which was given by the Minister of Labour or the right hon. Prime Minister as to the commitments of the federal and provincial governments in regard to this matter. I am simply going to take the statements which have already been made in this house. By and large it has been said that the government has become responsible, either by way of contribution to the provinces and the municipalities or directly by way of dominion public works or for direct relief for about $50,000,000; the provincial and municipal authorities and the railways have become responsible for $96,000,000—a total of $146,000,000.

I deprecate this practice which has grown up whereby the federal government is loaning to the provinces certain amounts of money, and to some extent making the provincial subservient to the federal authority. I say the thing which should take place is a reconstruction of the financial relationship between the provinces and the dominion, so that the provinces will be supreme in their own sphere and the federal government supreme in its sphere. This idea of swapping cheques between the provinces and the dominion is not good for either party; when you find that $11,000,000 of the national service loan has been invested in treasury bills of one of the provinces and when you find that there is a loan of $22,000,000 on the books, it seems to me to indicate a state of affairs that is not good for our country if we want to maintain our constitutional relations, and it is not going to be good for the autonomy of the provinces either. Therefore I say there should be some adjustment and settlement of this matter. This conference which was held last Saturday should have been held long ago in order to make that adjustment and in order that this position of debtor and creditor, this position of subserviency of the provinces to the dominion, should not be set up as it appears in the public accounts to-day.

I leave it at that for the moment, and my other point is this: If the amount I have given is correct—and no matter if the amount should be reduced the principle still applies—it seems to me apparent that this system of affording unemployment relief by forcing the provinces and the municipalities to pledge their credit is basically wrong and is going to lead to financial disaster in this country. For two years my friends opposite have been working on the problem of unemployment relief. They promised to relieve unemployment, and in September of 1930 they brought down their $20,000,000 legislation. It was expected that in February or March of 1931 they would have a definite policy, but they came here and asked for the blank cheque and for full power, and they were given what they asked. They came again this year with no policy and asked for a makeshift renewal for one month. I say to you, Mr. Speaker, that a proper policy to

develop employment, which hon. members opposite promised, is long overdue; this situation whereby between the federal, the provincial and the municipal authorities the country has been plunged into debt to the extent of $140,000,000, is something which will be laid at the doors of my hon. friends opposite because of their lack of a policy and their lack of courage to deal with the matter.

My hon. friend omitted from his budget some items which have appeared in the past. One item to which I refer particularly is a comparison of the debt from year to year. My hon. friend said that the net debt of the country had been increased by $119,500,000. I did not hear any applause from either side of the house, but I took occasion to compare the statement of the funded debt of this country, as it appears in my hon. friend's budget statement, with the statement of the funded debt of this country which appeared in the budget statement of the right hon. Prime Minister a year ago, when he was Minister of Finance. I find quite a difference in the figures. On March 31, 1931, the unmatured public debt represented by bond issues on which the Dominion of Canada was directly responsible was $2,319,196,847.39. That appears in the speech of the present Prime Minister at page 2328 of unrevised Hansard for 1931. According to the statement of my hon. friend the Minister of Finance, the unmatured public debt of this country as on March 31 this year amounts to $2,501,782,733.23, so there is a net increase of $182,585,885.84, which is rather different from $119,500,000. I asked the Department of Finance for, and was furnished with, a reconciliation of those figures. I just received it before luncheon and I do not have it under my hand at the moment, but I think I can give most of the items. The reconciliation showed that something like $41,000,000 was owing by the Canadian National Railways; that this $22,000,000 was loaned to the provinces; that $12,000,000 was loaned to harbour commissions, and that there was a certain amount of cash on hand. But I point out to you, Mr. Speaker, that this is not the way we figure the debt of the dominion when we come to find out exactly what has to be paid and what are our obligations. There is some doubt as to whether or not some of these loans will be repaid.

This question has been raised previously in this house; the real question is what is the solemn obligation of this country on unmatured bonds on which we have to pay interest, and that amount is the amount I just gave, which shows an increase of $182,000,000. I have pretty good authority for that contention, or at least I am sure my hon. friend will regard my authority as good. I quote from a speech by the present Minister of Justice (Mr. Guthrie) in 1929. He said:

> We have never had very serious controversy about the funded debt of the country, but I am glad to note that in his speech last Friday the minister for the first time took serious account of what we know as the funded or bonded debt or, as he put it in his remarks, the dead weight debt of the Dominion of Canada. That, after all, is the important item in the financing of this country. The net debt is not a matter of the greatest consequence; in England they never refer to it at all. There they use the one term "dead weight debt," and I am glad that the minister has used that term on this occasion, because that is the debt which counts. It is the amount for which the government of this country has issued in solemn form its bonds and obligations, signed, sealed and delivered, which bonds are now held by people who have invested in our securities. These bonds have to be paid at maturity, and in the meantime interest must be met. They therefore constitute the real burden which the people of this country are compelled to carry.
>
> The net debt is comparatively unimportant; it is a matter very largely of book-keeping and depends upon how you see fit to estimate the value of your assets. We have assets that are certainly good liquid assets, but we have a lot of assets in this country which we carry as non-active assets, and if you want to transfer some of these non-active assets to the active list you can immediately decrease your net debt. It is, I say, a matter largely of book-keeping. But the debt which counts is the dead weight debt.

I say to you, Mr. Speaker, that on that basis the debt of this country, instead of being increased by $119,000,000, as my hon. friend suggests, has been increased by $182,000,000. I should like to show just how far hon. gentlemen opposite have gone in the matter of debt increase, and I should like to compare the funded debt as of March 31, 1930, when Hon. Charles A. Dunning delivered his budget speech, with the funded debt as it appears to-day. On March 31, 1930, the funded debt was $2,194,746,563.57; I have already given the figure for March 31, 1932, so under the administration of my right hon. friend the present Prime Minister, in the last two years there has been an increase in the funded debt of Canada of $307,036,168.66.

I am not going to trouble the house with extended references to the debt reductions made during the last five years of Liberal administration, except to remind hon. members that in that period reductions in the funded debt totalled $257,866,939. Now we see that this whole reduction has been wiped out in two years under this government and we are $50,000,000 worse off than we were before. Let me remind the house also that from 1921 to 1930, when the government of my right hon. leader was in power, the interest saving

was $20,500,000, and of that sum $5,100,000 was saved through conversion loans. The Prime Minister seems to think that conversion loans are his own idea, but note this; that $5,100,000 was saved by the refunding of maturing loans at lower rates of interest; in other words, there were conversion loans even in the days before the right hon. gentleman became Minister of Finance.

There is another matter I wish to discuss, and on this point I wish my right hon. friend were in the house. I said that the Minister of Finance had made certain omissions with regard to possible expenditures for unemployment relief—wheat bonus, bonus to fishermen, subventions on coal and so forth. But there is a definite obligation he also omitted. The Minister of Finance has attempted to list the indirect obligations of the Dominion of Canada, and I do not find anything here about the seven or eight or ten millions—no one knows just how much it is—which has been guaranteed, so the newspapers tell us, by this government in connection with the Beauharnois project. Not a dollar is mentioned with reference to this matter; no information is given concerning it. The story is that there have been guarantees but they have not been mentioned in this statement which has been submitted by the Minister of Finance. Let me say, with regard to that project, that in my opinion the general feeling is that it is being bedevilled at the present time by the vacillation and the lack of policy on the part of my hon. friends opposite. There was a project which was a perfectly good one; that was the report of the engineers and of everyone who had anything to do with it. It is a project in which a good many small investors have money. But at the present time, for some reason or other, my right hon. friend who has taken hold of it is simply dandling it and nursing it, but he will give no information concerning the matter. No information can be obtained at all by those people who have their money in it and who naturally are interested in the undertaking. They do not know what is going to happen to what is probably the greatest power project in North America. I protest against the fact that there is no statement here with regard to what direct or indirect obligations we are undertaking in connection with this project, nor with regard to what policy my hon. friends opposite intend to pursue so far as Beauharnois is concerned.

Time is passing, but I should like to put on record one or two facts with regard to the Canadian Nationl Railways—facts which have been mentioned before but which it seems to me ought to be reiterated in the presence of those who have to do with the country's business and particularly with the country's finances as affected by this great national enterprise. The Minister of Railways (Mr. Manion), even this session, has made two or three illuminating speeches with respect to the Canadian National Railways, and the Minister of Finance (Mr. Rhodes) has put on Hansard some figures bearing on the subject. I venture to say, however, that even now it is not clear in the minds of the public just exactly in what the financing of the Canadian National Railways consists. In the first place, successive governments have advanced to the various constituent railways which go to make up the present Canadian National railway system—that is to say, the Canadian Northern, the Grand Trunk, the Grand Trunk Pacific and the Canadian National—something like $604,000,000, in addition to which there have been appropriations on account of government roads of something like $405,000,000, making a total of about $1,000,000,000. But there is also added to this—and this has been mentioned repeatedly in the house—interest on this amount as if the present Canadian National Railways would have to pay it. May I direct to the attention of the house the fact that the Minister of Finance, in the statement he has brought down, does not even include interest, in connection with these advances in the non-active assets. No mention whatever is made of it. With regard to the $604,000,000, this has been called a bookkeeping item by the Minister of Railways; it has been called a bookkeeping item by the present Minister of Justice (Mr. Guthrie). Well, everyone agrees that it is a bookkeeping item. Nevertheless, that amount is being rolled over and over and is always being talked about.

Mr. MANION: To avoid any misunderstanding, will my hon. friend allow me to say this. There is another item which the hon. gentleman has not mentioned but to which he has alluded, namely, interest owing to the government amounting to $350,000,000. It is not in the Public Accounts, and no doubt that is why the Minister of Finance does not mention it. But it is mentioned, as it always has been mentioned, even under the régime of my hon. friends opposite, and mentioned continuously, in the books of the railways. That is where the figure appears.

Mr. RALSTON: I would point out to my hon. friend that that amount of interest is not even carried or regarded as a non-active asset, let alone an active asset. It is carried

on the books of the railway to the prejudice of the railway. It never should be on the books of the Canadian National Railways any more than the $604,000,000 should be. The fact is, there has never been a definite reorganization of the capital of the railway, with the result that not only does the Canadian National system carry on its books that interest, but it carries principal as well. The Minister of Railways will agree with me also that there should be a reorganization of the corporate units going to make up the Canadian National railway system—there are anywhere from one hundred to one hundred and twenty-five of them—so that people might be able to think clearly about them. The $604,000,000, the $400,000,000 for Canadian government railways, the $350,000,000 for interest, are items which we might as well forget all about so far as our public accounts are concerned. And what does that leave? It leaves the moneys advanced from time to time, since away back in 1878, amounting to $1,276,000,000, of bonds which have been sold periodically and on most of which the Dominion government is liable. That is what is called the debt to the public. That is the amount which is charged to the railway, and when there is a deficit in the railway accounts it is arrived at after the railway has been charged with the interest on these bonds. That is the situation with regard to the Canadian National Railways.

May I point out that even this year the Canadian National Railways more than met operating expenses. It had a balance of from $2,000,000 to $3,000,000; but when interest on the $1,276,000,000 is charged, you get a deficit.

Mr. MANION: That is not the money owing to the government.

Mr. RALSTON: No. I repeat that the money owing to the government we have put to one side. We have set aside both the money owing to the government and the interest thereon, because the interest is not even carried by the government as an indebtedness of any description. Let us forget it, because everyone has agreed that we might as well do so. As I say, the Canadian National Railways' operating account had a surplus this year of two or three million dollars, which is eaten up and much more than eaten up by the interest on the $1,276,000,000 due to the public. That statement will, perhaps, help to an understanding of the situation. The deficit, after you have charged that interest which is due to the public, is something like $52,000,000.

My hon. friend in one statement was not quite fair to the Canadian National Railways, and I presume it was a slip. In dealing with the finances of the country he said that Canada, in common with all other countries, had experienced a period of depression. But when he dealt with the Canadian National Railways he did not suggest that the Canadian National, in common with all other railways, had also suffered a period of depression. I want to give the figures to compare the Canadian National Railways with the Canadian Pacific Railway and the roads in the United States. From 1928 to 1931 the revenues of the Canadian Pacific Railway fell off 35.8 per cent, while the revenues of the Canadian National Railways —I have not the revenue figures but I have the traffic figures and they will be practically the same—fell off a little more, 37.65 per cent. For 1931-32, the revenues for the Canadian Pacific Railway fell off 23 per cent, while the Canadian National showed a falling-off of 20.3 per cent; and on all North American railways it was 20.7 per cent. So that the Canadian National railway system is entitled at least to this credit, that it is doing as much business as the rest of the railways; and it is in common with those railways that it is suffering this period of depression.

One thing more. It has been repeatedly said that there has been a large amount of capital expenditure on the Canadian National Railways. I referred to this briefly last year, but since then I have looked up the records of the special committee on railways, and I find that these expenditures, which were made, have been voted every year by that committee unanimously, without objection. I have here the record which I could read if I had time. I have the yearly record of the committee and the yearly reports which were presented to and adopted by this house. Everything was concurred in and passed by the committees and the reports were passed by the house. All of this in connection with capital expenditure. For the purpose of reference, I refer particularly to the journals of the house for 1926-27, page XIII; for 1928, report of the special committee, page VIII; for 1929, page IV and for 1930, page 3.

Last year I quoted the statement of the Minister of Justice (Mr. Guthrie) in which he boasted of the success of the Canadian National Railways, alleged that the real credit should be laid at the door of his former leader, the present leader of the Senate. I do not intend to bother again putting that on record, but I desire to sum up with regard to these roads which make up the present Canadian National Railway system. In the first place, they are a conglomeration of railways, obviously not built with the intention of being one system but which had to be put to-

gether in order to make one system. Secondly they are the combination of the policies of all governments. The other day someone intimated that the trouble was caused because three transcontinental roads had been built. It was the policy of everybody that three transcontinental roads should be built.

Some hon. MEMBERS: No.

Mr. RALSTON: In 1904 my friends voted to have a second transcontinental railway built as a continuation of the Intercolonial. In 1913 and in 1914 guarantees were given in order that the Canadian Northern might be completed from the Pacific coast to Montreal. Everybody agreed that there should be three transcontinental railways. There is no use of my hon. friends gainsaying that fact; there is no use of their going back into ancient history and talking about the past—everyone was vying with each other in order to have the railways developed, and it was only a question of method. The Canadian National Railways is a combination of the policies of all governments. Thirdly, the advances made by the government have been wiped out by common consent. Fourthly, the Canadian National Railways' capital expenditures have been approved by both parties in this house. Fifthly, the revenue losses on this road have been no greater than they have been on other roads. Sixthly, I ask the house to note this: The capital structure of the Canadian National Railways are not represented as they are in private railways by common stock on which no interest or dividend is paid unless warranted by the earnings. The capital is represented by bonds which are an annual charge against the road and which show up much more clearly than they do in the case of roads whose capitalization consists partly of bonds and common stocks. In other words, the Canadian National Railways is in a class by itself. Naturally, its financing is more difficult since the annual charges always come before the public in the shape of bond interest.

Seventhly, the management of the railways has been approved of by all parties, and in this connection I refer to the statement of the Minister of Justice. And, finally, there has been a surplus on operating account for many years.

But there is no doubt that the problem of financing is a difficult one. It must be faced squarely but I shall say nothing more in view of the fact that as the Minister of Finance has said that there is now a commission engaged in considering the whole railway problem of this country. I simply bring these facts to the attention of the house and the country.

I come now to what is the interesting but after all the most sombre part of my hon. friend's address, and that is in connection with the ways and means of finding funds to carry on government. In one fell swoop he provides that the twenty per cent discount on income tax put into effect by the former government shall be wiped out. He provides that there shall be a five per cent surtax on the tax on incomes above $5,000. He next provides, and I think this the most difficult feature to justify, that exemptions for married men shall be reduced to $2,400 and that this charge shall apply to last year's salary. What is the effect of this? I think my hon. friend sees and knows the result which will follow. An individual who received last year an income of $2,800 found it pretty close going for himself and family. He did the best he could to live within his income and made his expenditures believing that he would have no income tax to pay as he was exempt up to $3,000. However, this year he finds that notwithstanding the fact that he has spent his $2,800 earned last year, his salary is cut—he may be a civil servant or employed in a factory or anywhere else—wages are down, and he has now to pay a tax on his last year's salary out of his reduced salary of this year. This hits the man with a modest income and it falls particularly hard upon the civil servant. My hon. friend has said that he was picking out the civil servant in order to make a levy upon him; he is making a levy of ten per cent by reducing his salary and in addition he is collecting a tax on last year's salary. This tax will fall heavily upon a lot of people. My hon. friend has not given us the figures but he probably knows how many incomes there are between $3,000 and $2,400. I venture to say there is a large number and I question whether the collection of this tax will be worth the expense, my hon. friend probably has made an estimate. But he ought to realize that this tax falls heavily on the man receiving a small salary and who has to face a reduction this year.

What would have been the obvious thing to do? The obvious thing to have done would have been for the Prime Minister to have gone ahead last year with his income tax proposals instead of taking such a personal dislike to some remark which was made about one feature of the measure which favoured those who enjoyed large incomes. He jettisoned the whole question of income taxation. Had he not done so probably sufficient taxation would have been raised from the higher bracketed incomes to have made it unnecessary

to reduce the exemptions this year. Because of a little pique, or considerable pique as a matter of fact, the right hon. gentleman dropped his income tax proposals; he would have nothing more to do with them, and the result is the burden falls not only on the man with the large income but on the man with the small income which has already been considerably depreciated. This rearrangement of the income tax will be difficult for my hon. friends to justify.

We now come to our dear old friend the sales tax. Two or three years ago this tax was roundly reviled by the Secretary of State (Mr. Cahan) and the Prime Minister termed it the poor man's income tax. This is what he said as appears on page 397 of Hansard of 1927:

And that sales tax is the poor man's income tax—the tax upon his clothes, the tax upon the commodities that enter into his everyday life—

In 1928 my hon. friends introduced a resolution asking for the abolition of the sales tax which was then only three per cent. At that time the Secretary of State said:

They then discovered that this rate was an intolerable burden on the country, increasing exorbitantly, as every per cent of it did, the cost of living. They first reduced it to 5 per cent, then to 4 per cent, and now they propose to reduce it to 3 per cent—just where they found it on attaining office. I think the opinion on both sides of the house is that when making their last reduction they should have announced the abolition of this tax, for thereby they would have done more than by any other single act of government to reduce the average cost of living in this country, which is so high in comparison with the cost of living in the same state of society across the border.

The Prime Minister is reported on page 1253 of Hansard of 1928 as saying:

We contend that the sales tax should be abolished. Why? The Minister of Finance asks, where shall we get the revenue from? If economy were practised in this country, if an annual sinking fund were put away—

Where is that sinking fund to-day?

—money being earmarked for this purpose when derived from the sales tax, then I could understand my hon. friends desiring to continue the tax.

The Minister of Justice is reported on page 1124 of Hansard of 1928 as saying:

I have only one other observation to make, and I have but a few minutes in which to make it. There is another aspect of the budget I do wish to mention, and it is in regard to what I call the iniquitous sales tax. On a former occasion during the present session I mentioned the sales tax, and I told the Minister of Finance that so far as it was in the power of an opposition to make demands upon the government, this opposition was going to demand the abolition of the sales tax during the present session of parliament. I regret that the tax has not been abolished; it has merely been reduced to that point at which it was seven years ago when the Liberal government took office. The sales tax was imposed as purely a war measure. The war has been over for ten years, but this administration still maintains that iniquitous burden on the people of this country. My hon. friend the Finance Minister may wave his hand and announce that he has made another cut in the income tax, and the wealthy men of Canada will appreciate that no doubt; but if he had wiped out the sales tax he would have conferred a benefit, not upon the wealthy, but upon the people of the dominion least able to bear that tax.

Then for a moment he turned aside to discuss the changes in the tariff rates on woollens and later he came back to the sales tax; it seems to have been on his mind. He said, referring to the Minister of Finance:

Now, cannot I warm up his heart in regard to the sales tax? I agree that ours is a cold climate in the winter season; people must wear woollen clothes. By retaining this sales tax of three per cent—

Only three per cent, mind you!

—a man has to pay an extra ninety cents on a $30 suit of clothes. Do the people of Canada yet realize that they are paying this iniquitous tax into the treasury? Do they know that this war burden is still in force? I know the complaint is made from time to time that the retail merchants are still keeping up prices, but do the people realize that on $100 worth of purchases of boots and shoes, clothing, furniture, everything save food, they have to pay to-day $3 into the treasury of Canada to help in the reduction of the national debt? I do not believe they realize that. Four per cent they paid last year, five per cent the year before, and 6 per cent for a while, and with what a grand flourish the ministers of the crown announced these reductions! Last year the minister said: We have reduced the sales tax 20 per cent. It sounded like a large reduction, but it is only one per cent as a matter of fact—one cent on a dollar. The other day the minister announced: We have reduced the sales tax 25 per cent. The ordinary people thought: It must be gone this time sure. But only another cent has been shaved off the top, and for every $100 worth of clothing, hats, mitts, boots and shoes, to be worn in this cold climate of ours, $3 must be paid into the treasury, although the war was over ten years ago. What did the minister say last session? "Why," he said, "how can I do it?"

Then the Speaker called time. I have no doubt my hon. friend will have a good deal of enjoyment in making that same speech in cabinet councils as they discuss the new 50 per cent addition to this iniquitous sales tax. Let me point out to him that if a family spends, say $750; they paid $7.50 sales tax under the rate as it stood when the Liberal party went out of power, whereas under the rate this year they will pay $45.

Mr. STEWART (Edmonton): In this cold climate.

Mr. RALSTON: Yes, in this cold climate, and I understand also some of the articles of food are going to be removed from the exempted list. But even that is not the worst of the situation. My hon. friend said: People do not realize this. He is quite right; the people do not realize how much they pay. Last year I noticed a letter sent, I believe, to all the members from the secretary of the Wholesale Grocers' Association, and this is the naive way in which he put the matter with regard to sales tax. He was arguing against the turnover tax. He said about the sales tax.

> It is being enforced fairly, working smoothly, and equitably, and seldom comes before the public eye as it is buried in the price of an article, and is almost an unknown and unheard-of quantity.

It is there just the same and the people will be paying it this year.

And besides that the government are going to be offending against another principle which was laid down by the present Prime Minister. In this house in 1927 he waxed most eloquent with regard to this matter of taxing a tax. Does he realize that the sales tax is imposed after the duty and, indeed, after the dumping duty are imposed on an article? This is what the present Prime Minister said as reported at page 402 of Hansard of 1927, it will be noticed that he had the cart before the horse, although I think this was just a slip of the tongue. He said:

> It is not sound to tax a tax, and under the present tariff regulations the sales tax is added to the cost of the article and the duty computed upon the sales tax and that cost.

He was wrong about that; it was just the other way about. The duty was added to the cost of the article and the sales tax computed upon the cost of the article plus duty.

> That is the present position. It would be in the interest of trade and the development of commerce that that should be removed if at all possible.

That is just one more thing with regard to which my hon. friends have made protestations, promises and professions and which they will have to face when the time comes. When the six per cent sales tax was imposed in 1923, we found the tax already pyramided; as everybody knows it was practically six per cent then. Further than that we had a legacy of debt which was the result of the previous administration and which had to be paid off. Our hon. friends have a legacy of surpluses, of reduction of debt, and still they are increasing the sales tax by fifty per cent in this year alone after increasing it from one per cent to four per cent last year.

I say nothing with regard to the nuisance taxes. They will probably be dealt with when the resolutions come before the house. I will say just this at the moment: Sometimes I think, in order to make people realize not only in budget speeches, but in other ways, just how difficult things are with my hon. friends in power, these taxes should be raised so high that we shall not be able to enjoy any more luxuries such as Pullman cars and that sort of thing. I am, however, making no protest now as regards nuisance taxes, something will be said about them on the resolutions themselves.

Let me come now to the matter of tariff. The subject of tariff and trade is perhaps the most interesting and certainly the most disquieting part of my hon. friend's speech; on trade depends the whole structure of our financial system. You cannot collect any sales tax if you have not transactions; you cannot collect any duties if you have not imports; you cannot collect income tax if there is not any income, and the amount to be collected on cheques, telephone messages and telegrams all depends on the amount of trade which is being done in this country. Further than that, you cannot make the Canadian National Railways or the Canadian Pacific Railway or any other railway pay if you cannot give them traffic. That is at the bottom of the whole trouble in Canada at the present time and the budget figures, viewed in that light, are most disquieting. What is the budget, when you come to size it up? Our trade has been depleted 50 per cent, and I have already spoken about the increase of debt, the deficits and the increased taxation. The government's statement amounts only to this: We have no remedy under the sun to suggest, but we are simply going to impose more taxes. There is not a policy, not a suggestion of improvement to throw a little light into the darkness except the possibility of something coming from the Imperial conference. I think the way in which my hon. friend put it was: We are near events which may have some sort of happy augury for the future.

The budget figures, as I say, show a reduction of 50 per cent in our total trade in two years. There is no need of this. My hon. friend began his address by indicating the present difficulties throughout the world. Let me point out this to him: Canada is in a unique position because she sells the necessities of life. She is therefore a country which should be in the best position to recuperate most quickly and to take advantage of

markets because she has things which people absolutely must have. I want to protest as vigorously as I can for myself and those about me at the artificial barriers to trade which are being raised at the present time and which have been raised in the last year in this country. In 1930 the tariff was at an average of something like 24 per cent. This year, with the three per cent excise tax, it will be on an average of 35 per cent, to say nothing about the extraordinary ways which my hon. friends have of raising tariffs and to which I wish to refer. But the tariff schedules are only a beginning. Here are the methods which my hon. friends have of raising tariffs and of damming the stream of trade. In the first place they have the tariff items, but tariff items have these days become a mere formality. My right hon. friend does not have to come to this house to have changes made in the tariff. The Minister of National Revenue (Mr. Ryckman) sits in his office, places values on articles, and thereby raises the tariffs 50 or 100 per cent, as the case may be.

Then there are the provisions under sections 36 to 43 of the Customs Act whereby either the minister or the governor in council as the case may be, may value articles for duty purposes, and may make such valuations as in their sole discretion—I think "sole judgment" is the expression used in a number of sections—as in their sole discretion they may see fit, and may collect duties on the values thus fixed. Hon. members may say that is going pretty far. Yes, but the government is going much farther than that. Under section 6 of the Customs Tariff Act not only may they impose duties on the higher prices they have fixed, but they may also impose a duty consisting of the difference between the invoice price and the arbitrary price which they fix, in order to bring the cost to the consumer or the importer in Canada up to the arbitrary price fixed by the Department of National Revenue. That is the way tariff is being regulated or manipulated in this country at the present time.

And if even that were the end of it, it would not be quite so bad. But soon after England went off the gold standard we in this country witnessed an exhibition of juggling with currency and prices the like of which had never been seen in any civilized country of the world. I have before me a list of the orders in council, and a survey of the steps taken at that time. On September 28, soon after England went off the gold standard, an order in council was passed providing that value for duty on British goods should be

arrived at by computing the invoice value at the average rate of exchange current on the date of shipment. What does that mean?—because I do not think the people of this country understand exactly what was done. Let us say that on a certain day exchange was at $4. That would mean that the Canadian dollar would be worth five shillings, in round figures. One could take the Canadian dollar and buy five shillings' worth of goods in England. Then the order in council of September 28 said: "All right; the value for duty purposes, so far as currency is concerned, will be that we will take English goods and allow five shillings for every Canadian dollar." Fine; that is what it should be. Then, on September 29, the day after, we find the following regulations, "In computing value for duty, exchange is fixed at $4.86⅔"—that is just one day after. The Canadian dollar had thus dropped from five shillings to four over night, and that depreciation had come about through the action of the Canadian government. Notwithstanding the fact that the Canadian dollar was worth five shillings on the exchanges of the world, the Canadian government said "No; that dollar is worth only four shillings; in other words it can buy only four shillings' worth of goods. If you attempt to bring in five shillings' worth of goods and pay for them with the dollar, you will have to pay the other shilling to us." In other words, by paying the exporter in England four shillings and paying the government one shilling, the whole five shillings would be paid. The Canadian government deliberately depreciated the value of the Canadian dollar at a time when we had a favourable situation on the exchange market so far as sterling is concerned. In effect the government said, "We will not permit the import of British goods except at a rate of $4.86⅔." As everybody knows, there was an outcry. People said, "If we take our Canadian dollar to the United States we receive only eighty cents for it; we ought to have the opportunity to go to England and get five shillings for it." But the Canadian government said no.

Frequent meetings were held. A period of three weeks elapsed, and then what did the government do? They said, "This is what we will do: We will not hold sterling up to $4.86⅔, but we will hold it up to $4.40. We will make an arbitrary ruling that the sterling pound is to be worth $4.40." That is to say, a shilling is to be worth only 22½ cents, and there would be 4½ shillings to the Canadian dollar. That was a little better. But still the actual rate of exchange was $4 to the pound.

The Canadian dollar was at that time worth about five shillings, and this regulation meant allowing only 4½ shillings to our dollar. Then what happened? The government said, "Notwithstanding the fact that the pound sterling may actually be worth only $4, we say that it will take, $4.40 in Canadian money to represent a pound sterling. Then what will we do? If you import goods and the actual current rate of exchange is $4 we will charge you the difference between $4 and $4.40, add it to your bill or your invoice, and collect it at the customs office. The English exporter may charge $4.40 if he wishes, although the pound will be worth only $4. If he charges $4.40, that is all right,—but the difference between the arbitrary rate we have fixed and the actual rate of the pound sterling will be charged to you." That is the system which is in force to-day and to complete the picture my hon. friends opposite even issue orders in council from time to time—I do not know whether it is every two weeks or not—in which they fix what they say is the current value of the pound sterling as compared with that $4.40 rate.

I do not know what the pound sterling is valued at to-day, but we will assume it is $4. It is quite possible my friends would have fixed the pound sterling at $4.10, and the amount one would have to pay as dumping duty would be the difference between $4.10 and $4.40. Or let us suppose that a bill of goods was purchased when the pound sterling was $3.90. The government might fix the rate at $3.80. The importer would have to pay the difference between the amount the government fixed and the arbitrary figure of $4.40 which they have set. In other words, the government has in this way added to its powers to fix the dumping duty to an unlimited extent. The ramifications of the situation are endless. My hon. friends opposite can do anything they like with the pound. I doubt very much whether the statute gives them the authority to do what they have done. However, the government have done it, and sterling exchange is in that position to-day.

I should like to give the house one or two instances of the application of this exchange rate. First, however, I should like to say that the government has gone beyond all reasonable bounds, because these orders in council constitute taxation. My hon. friends have no business whatever to sit over there in the east block and impose taxes on the people of Canada under a blanket power. In the second place, it is not only taxation but it is taxation without any hearing, and is absolutely ex parte. Supposedly, my hon. friend the Minister of National Revenue should hear the two parties to the transaction. He sits as Minister of National Revenue, but there is nobody present to represent the importer, who has no opportunity to be heard. The minister decides the conditions under which the particular goods in question are manufactured in their country of origin. He decides the market that is available for those goods in this country, and—supposedly, of course, because he does not actually do it—he decides whether conditions of production in this country justify protection to the industry and he makes an effort to find out a just rate of duty, although he has no tariff board. What is the result? I have before me a large number of memoranda and orders in council concerning valuations which have been made within the last year or two, and I suppose these represent only a very small proportion of the total. Certainly my hon. friend must have great ability; he must be familiar with the details of every possible business so that he may fix value for duty purposes or determine the tariff on all the goods mentioned in the following list:

Sheets of iron or steel, cold rolled; fruits; vegetables; peas; live stock; common and colourless window glass; bean pork; fir doors; nursery stock; high starting torque silent type electric motors; sheets of iron or steel, cold rolled; dried egg albumen; meats prepared or preserved; grapes; hats, hoods, shapes, bodies, and cape-lines; sugar above No. 16 Dutch standard in colour; radio receiving sets complete; wicker furniture; single ply veneers of cedar; jute twines; cotton fabrics and artificial fabrics:

And so on. The list includes even thumb tacks and furniture nails. That is what my friend the Minister of National Revenue is engaged in doing at the present time. The other day my right hon. friend the Prime Minister treated us to a dissertation on the onerous labours of the cabinet and the fact that they were working twenty-four hours a day. When I look over some of these articles it seems to me really ridiculous to imagine any minister solemnly sitting down to calculate for instance the value for duty purposes of wiping rags, wire pot-cleaners, nursery stock and baby pants, but that is what my hon. friends opposite are doing—and they say they are working twenty hours a day. Well, heaven knows how they get any sleep at all. These orders in council are being made from day to day and from week to week. Where is the tariff board that my right hon. friend was going to appoint a year ago, that he insisted should be ap-

pointed, and in connection with which he refused to accept any amendment whatever? Instead of a tariff board functioning, my friend the Minister of National Revenue is making arbitrary valuations for duty purposes in connection with these goods.

I want to show the house a few samples of what can be done under this authority. I have here, for instance, one of these orders in council with regard to radios, an article in most homes in this country. Provision is made that there shall be only thirty per cent discount on the list price of imported radios. Take a radio imported at a list price of $100. The trade discount, I am advised, would leave the amount for duty at $42.75. At twenty-seven and a half per cent the duty would be $11.76. This would make the duty paid value $54.51. At four per cent the sales tax would be $2.18 and the one per cent excise tax 55 cents. Now we have the total for duty, sales tax and excise tax at $14.49 which plus the price of $42.75 makes the total cost $57.26 if there had been no order in council; but in this case the governor in council—not my hon. friend the Minister of National Revenue—passed an order that the discount on radios shall not be more than thirty per cent. So that this $100 radio if imported now is going to cost $70 so far as value for duty is concerned. All right. Going down to the customs you say to the official there: "I have paid $42.75 for this radio." He retorts, "I don't care what you paid for it; the governor in council says the Minister of National Revenue is empowered to fix the price at $100 less thirty per cent—$70 is the value of that radio." "What duty have I to pay?" "You have to pay twenty-seven and a half per cent —$19.25." That makes the duty paid value $89.25. "What else have I to pay?" "You must pay four per cent sales tax, $3.57, and one per cent excise tax, 89 cents." You say, "That ought to be enough." "Oh, no, you're not through yet." "What else have I to pay?" "You must pay as a dumping duty the difference between $42.75 and $70. In other words, you have to pay another $27.25." So your radio is going to cost you $50.96 just for duty and taxes although its invoice price is only $42.75." In other words, you have to pay about one hundred and twenty per cent duty and taxes on that one article. That is what my friends opposite have done by order in council. The duty on that article which should be only $14.49, has now become $50.96, and the total cost instead of being $57.26 will be $93.71.

A number of other examples might be given. Take a lamp shade. The invoice value of the lamp shade is $3. Before the minister interfered you had to pay thirty per cent duty or ninety cents, making the duty paid value $3.90; four per cent sales tax, represents 16 cents, and one per cent excise tax, 4 cents, or a total for duty, sales tax and excise tax of $1.10. That used to be the total duty and the total cost would be $4.10. But now my hon. friends opposite have put in this new-fashioned duty, and they say the value is to be raised thirty-three and a third per cent, so that the value for duty becomes $4. At thirty per cent the duty is $1.20; sales tax at four per cent 21 cents; excise tax at one per cent five cents—$1.46. In addition you have to pay a dumping duty of $1, the difference between the $3 invoice price and the $4 arbitrary value fixed by the minister. In other words, you pay $2.46 instead of $1.10 on an article costing $3, or 80 per cent for duty and taxes, and the lamp shade which under the regular rates would have cost $4.10 will cost you $5.46.

One other illustration. On a shipment of tweed cleared from Great Britain, valued at £154, 4s. 9d., the value for duty purposes is $751; duty and excise tax $342.40, making a total value of $1,097.40. Thus the total duty paid on goods costing $642.32 is $393.71. How has the government done that? By adopting the expedient I spoke of a few minutes ago. They have taken the pound value at $4.40, although on that day it was only $4.14, and they have charged the difference between the $4.14 and the $4.40 as part of the duty. And in addition to that they have charged the tariff duty on the rate of $4.86⅔ even though the actual rate of exchange was only $4.14 to the pound.

I desire to put on record these examples of increases in duty on common articles that our people have to buy:

Excessive Rates Due to Increase of Tariffs—Arbitrary Fixing of Exchange Rate and Applying Dump Clauses (includes 1 per cent Excise Tax and 4 per cent Sales Tax)

	British preference			General tariff		
	Old rate	New rate	Percentage increase	Old rate	New rate	Percentage increase
Woollen and cotton blankets	21⅓	94	350	35	167	400
Gloves and mitts	21⅓	43	100	36⅓	90	150
Children's socks and stockings	23¾	99	300	36⅓	161	350
Fabrics, wholly or in part artificial silk	19¼	75	300	36	133¾	300
No fabrics are more used to-day than these:						
Printed or dyed cotton fabric	19¼	46¼	150	28¾	83	200
Linen tablecloths	19	41	110			

I do not think there are many linen tablecloths manufactured in this country.

Mr. GUTHRIE: Oh, yes, there are.

An hon. MEMBER: Not of that class.

Mr. GUTHRIE: Yes.

Mr. RALSTON: I do not think so.

	Old rate	New rate	Percentage increase	Old rate	New rate	Percentage increase
Cutlery, plated, not steel	21½	48½	100	36⅓	90	150
Earthenware dishes	19½	43	125	31⅓	76¾	133
Axminster carpets	23¾	86	275			
Cotton sheets	16½	46	185			
Pillow cases	16	45	175			
Silk fabrics (France)	..	..	..	31	75	150
Silk fabrics (Switzerland)	..	..	..	30	75	150

I am putting those figures on record, Mr. Speaker, in order that people may know exactly how the tariff has been raised, because they will not find those figures in the tariff schedules. I need not say those figures include sales tax, excise tax, the exchange rate and the arbitrary fixing of the value for duty purposes by the Minister of National Revenue.

Mr. STEVENS: How does my hon. friend justify the last two items, covering silk from France and Switzerland? I could not quite understand that.

Mr. RALSTON: I want my hon. friends to justify them.

Mr. STEVENS: My hon. friend misunderstands me. I quite understand his compilation in regard to Great Britain, but how does he arrive at those increases with regard to the last two items?

Mr. RALSTON: I am giving the two rates; I have the actual computations here, taken from actual invoices, which I will let my hon. friend see.

That is the position with regard to increases in duty. The situation in this country is that a man does not have to ask for protection; he is given more than he would ask for. A letter was sent out some time ago, and no doubt received by other members as well as myself, signed by Mr. James R. Dickson, representing the automobile dealers of this country, and with regard to the amendment passed last year which prohibited the importation of automobiles this is what he says:

> The foregoing amendment goes further than had been generally requested or anticipated, and places this commodity on the list of prohibited goods under tariff item 1215.

Further on the letter states:

> . . . the government is being commended for the manner in which it has now so effectively met the issue, by going even further than was requested in the public hearing.

The request was only for an additional ad valorem duty of fifteen per cent. My hon. friends rush out to find people in order that they may give them the benefit of protection. It does not seem to be a case of asking for it, and there does not seem to be any idea of having anyone prove their right to it.

What has been the effect? Later on I shall show the effect so far as the increase in price is concerned. If my hon. friend wants to find out why the amount collected in customs duties this year is $20,000,000 less than it was last year, in spite of the astounding increase in the tariff at the last session, he can get his answer from just such instances as I have quoted. He is simply drying up the sources of revenue; people are not going to import goods. I would not mind so much if it had done the domestic industry any good, but I propose to show that it has not.

What else has it done? It has produced a state of uncertainty in this country among importers and consumers, and they have just as

much right to be considered as people in special industries. The effect of this uncertainty is hard to estimate. There is not a man who, when he gives an order for goods, can be certain that the duty on those goods will not be changed overnight. There is not a man who can send out a traveller to take orders for goods which he has to import without making some sort of reservation, because he may be caught by the fact that while to-day the duty is so much, under the special power given the Minister of National Revenue the duty may be increased 100 per cent before the goods arrive. That makes for uncertainty in business. I remember very well the pledge of the Prime Minister during the election, "The stabilization of economic conditions and the freedom from manipulation of home and foreign tariffs." Could there be any greater chance of manipulation, or any opportunity of which greater advantage has been taken than is the case here, with my hon. friends opposite sitting day after day in the east block passing these orders in council?

I say this is producing a state of uncertainty which is leading to greater difficulties than exist with regard to industry itself. Probably there are ten thousand importers in this country, and perhaps they have more people employed than are employed in the industries themselves. These people form the backbone of our nation; the consumer has a right to be considered, but no one can get or give absolute quotations because at any time the Minister of National Revenue may raise the value for duty purposes.

What has been said about this power? This quotation has been given before, but a good thing is well worth repeating. Back in 1923 a provision was placed in the statute with regard to some fifty items of natural products on which the value for duty purposes might be increased. I think that power was used only once or twice in the whole Liberal régime, and finally the provision was repealed. What was said about it by the gentleman who to-day leads the Senate in support of my right hon. friend?

> There should never be an unrestrained discretion in the hands of any minister or any government. There should be some principle laid down by this house to which the government must abide, and beyond which they cannot go. That is sound, sensible legislation. That is the protective principle democratically and fairly applied. What is proposed here is the protective principle, autocratically, and perhaps unfairly, applied.
>
> For purposes of valuation the minister can fix the value where he likes, on any basis he likes, to suit any interest he likes, as low as he likes, as high as he likes, and when he likes.

[Mr. Ralston.]

In a word, this simply puts into the power of the minister the whole elevation of the tariff of this country.

The minister can put on any valuation he thinks fit. In other words, it virtually enables him to fix the tariff where he pleases, and the house is asked to support the minister in that.

That statement was made with regard to the fixing of values for duty purposes on about fifty items of natural products out of a tariff list containing some eleven hundred items. This present provision applies to every item in the schedule, and what is more, this power is being exercised every day, as these orders in council, memorandums and bulletins show.

So much for uncertainty, Mr. Speaker, and so much for excessive rates. Now what about the effect on prices? I want to be as serious as I can with regard to this matter, but with all due deference I do not think there ever was any greater joke perpetrated than the suggestion that you can raise the duty as high as Haman's gallows and still not increase prices. I do not believe anyone in this house or in the country doubts that prices are being kept up in this country because of the fact that the duty has been raised. Let me give one or two figures. In a letter issued by the Bank of Nova Scotia in March I find the following:

> At the end of seventeen months . . . .
>
> Following the depression of 1920.
>
> . . . . the index of Canadian farm products was 50·5 per cent below the 1920 maximum; the index of manufactured goods was 38 per cent below. . . . To date . . . .
>
> Since the present depression began.
>
> . . . . the index of Canadian farm products has fallen by 46 per cent—a decline little less abrupt than that of 1921; the index of manufactured goods has fallen only by 15 per cent.

I ask you, Mr. Speaker, what is keeping up the prices of manufactured goods at this time? The tariff is responsible for the prices of manufactured articles to-day, and the farmer, the miner, the fisherman, the lumberman and all the people on the streets of our towns and villages, the ordinary, everyday people, are buying these articles and paying these artificially maintained high prices. While the products the farmer and the other primary producers have to sell are down fifty per cent in price the articles he has to buy for everyday use are down only fifteen per cent. Let me refer to the figures issued by my hon. friend the Minister of Trade and Commerce to show the fall in the prices of a number of articles:

	August, 1930	February 29, 1932	Decrease
Grains.	64·3	43·1	21·2
Live stock. . . .	95	65·9	29·1
Dairy products . .	85·9	59·3	26·6
Textiles.	79·7	71·6	8·1

I have just read some of the duties imposed on artificial silk by reason of the power given the Minister of National Revenue to fix values for duty purposes. On artificial silks the price has actually gone up. The index figure was 62.4 on August 1, 1930, and 64.9 on February 29, 1932, or an increase of 2.5 per cent. In farm products the fall, as I have indicated, has been between 29 and 21 per cent. Take carpets; I also mentioned the high duties. The price figure was 92.4 on August 1, 1930, and 93 on February 29, 1932. In rolling mill products, the figure was 93 on August 1, 1930, and 92.2 on February 29, 1932. Take cast iron and steel: on August 1, 1930, it was 89.19 and on February 29, 1932, 84.19, or a drop of 5. In hardware it was 91.7 on August 1, 1930, and 88.6 on February 29, 1932, or a drop of 2.8. On wire it was 89.3 on August 1, 1930, and on February 29, 1932, 82.8, or a drop of 6.5. On boots and shoes it was 98.3 on August 1, 1930, as against 93.7 or a drop of 4.6.

The farmer sells his farm products, his live stock at 29 per cent less, and his grain at 21.2 per cent less, but he pays only 4.6 per cent less for his boots and shoes.

So much as regards prices. Let us look at the effect on domestic industries. Has the policy of putting a barbed wire fence around Canada helped the domestic industries and added to their number and developed trade as my hon. friends believed it would? Has the home market turned out to be the thing they boasted of? Employment is lower than ever in this country. Let us take employment by classes of industries, as taken from the Labour Gazette for March 1, 1932, page 328:

	Aug. 1 1930	Feb. 1 1931	Aug. 1 1931	Feb. 1 1932
All industries. .	118·8	100·7	105·2	98·7
Manufacturing.	110·2	96·1	94·7	85·9
Trade.	126·4	123·1	120·9	117·2

And look at the unemployment figures, as taken from the Labour Gazette, March, 1930, page 334:

	Jan. 1 1930	Aug. 1 1930	Jan. 1 1931	Aug. 1 1931	Jan. 1 1932
All	10·8	9·3	16·	15·8	22·

Has protection made us rich? Has protection developed the industries of the country? Has it had the effect which my hon. friends predicted and boasted of when they put into force this policy of building an impregnable tariff wall around Canada? Let us look at employment in those industries in connection with which imports have decreased. My hon. friends opposite have said that if you decrease the imports, stop them coming into Canada in competition with Canadian industries, we shall have more employment for Canadians in the industries so protected. Let us take two or three. Fibres and textile products is one industry that has been helped a good deal. According to Trade of Canada for the calendar year 1931, the imports in 1930 were $149,000,000, and in 1931, $90,000,000. Well, if there is that much less in the way of imports there must have been a correspondingly greater activity in Canada. But let us look at the employment figures. On February 1, 1930, it was 103.5, and on February 1, 1932, 96.3. The diminution in imports does not seem, therefore, to have added to employment in Canada. Take farm implements; the imports in 1930 were $21,900,000, and in 1931, $3,900,000, five times less; but the employment figure was 47.9 in 1930 as compared with 29.7 on February 1, 1932. In machinery the imports in 1930 amounted to $50,000,000, and in 1931, $29,000,000, whereas the employment figure on September 1, 1930, was 113.4 and on February 1, 1932, 81.8. In rolling mill products the imports in 1930 were $46,000,000, and in 1931, $23,000,000; but the employment figure was 102 in 1930 and 67.4 in 1932. In automobiles and vehicles the imports were $47,000,000 in 1930, when the employment figure was 97.9; and in 1931 the imports were $23,000,000, but the employment figure was 70.3. In electrical apparatus the imports in 1930 were $30,000,000 and the employment figure was 157.9 and in 1931 the imports were $16,000,000 and the employment figure 124.9.

These figures show conclusively that not only has the tariff done no good to domestic industries, but apparently employment in domestic industries has gone down instead of up with the decrease of imports in connection with these different manufactures. That is the situation with regard to the moveable tariff legislation of my hon. friends.

My hon. friends, since I have been speaking somewhat critically, will not expect any suggestions from me, but I do venture to tender one or two. I submit that they had the opportunity to make the first gesture towards remedying this situation, but they threw away that opportunity when the Minister of Finance, in his budget speech, informed the house that nothing would be done regarding tariff until after the imperial conference. There was a chance, if ever there was one, for my hon. friends to make a gesture towards imperial preference, giving a reciprocal concession for the concession which had already been extended by Great Britain. Great Britain had imposed a tariff upon certain articles, but she had provided that it should not apply to goods from Canada, and there was a golden

opportunity, it seems to me, if my hon. friends opposite were really looking for an occasion to cement relations in anticipation of the imperial conference and to create an atmosphere in which a great deal of good might have been accomplished. The policy of hon. gentlemen opposite has been far different from the policy which was proposed two years ago by the then Minister of Finance when he brought down his budget in anticipation of an imperial conference. What did we find in the budget at that time? There were decreases on 270 items coming from Great Britain and increases on only 11; 589 items out of 1,188 were made free under the British preference. Hon. gentlemen opposite suggested that it was only a paper preference, but remember that that preference applied to $200,000,000 worth of goods which were imported into this country. That, it seems to me, was the kind of gesture which my hon. friends might have made; indeed, Mr. Speaker, it would not have been any mere gesture but genuine evidence of their desire to cooperate with Great Britain and with the various dominions of the commonwealth.

And is it not worth while endeavouring to encourage such trade? I sometimes think, Mr. Speaker, that the people of this country do not appear to realize what sort of customer Great Britain has been to Canada; they seem to have the idea that we have been doing all the giving and Great Britain has been doing all the taking. Well, from 1921 to 1931 Great Britain bought from Canada $4,057,000,000 worth of goods. How much have we bought from Great Britain, British preference and all? We have bought $1,823,000,000; in other words, there has been a trade balance as between Canada and Great Britain of $2,234,000,000 in our favour. That is the sort of customer with whom the Hon. Charles Dunning and the government of which he was a member thought it worth while to deal; that was the sort of country toward which we deemed it wise to give preferences, and to adopt tariff schedules with definite provisions indicating our desire to trade with them. Let me quote to the house the words which the Hon. Mr. Dunning used on that occasion:

> In other words, we do not intend to meet the other countries of the British commonwealth in a spirit of petty bargaining, but rather in the broad spirit of willingness to become in ever-increasing measure good customers to those who treat us in like manner. This is the spirit in which we desire to meet all nations, but we believe that within the British community of nations lies the greatest measure of opportunity for mutual development of trade because of our common heritage, kindred institutions, and a common patriotism.

[Mr. Ralston.]

That was an expression of faith, but it was an expression of faith accompanied by very practical works in the shape of a revision of the tariff. My hon. friends are coming to realize that there is something in this method of approach. When the Prime Minister went over to the imperial conference in 1930 he was not in that attitude of mind; barter was strongly in his mind and a bargain was the thing to be striven for. He said:

> I offer to the mother country and to all the other parts of the empire a preference in the Canadian market in exchange for a like preference in theirs, based upon the addition of a ten per centum increase in prevailing general tariffs or upon tariffs yet be be created.

He accompanied his address with such expressions as these:

> Take without delay the steps necessary.
> No room for compromise.
> No possibility of avoiding the issue.
> Time for plain speaking.
> The day is now at hand.
> Decide once and for all.
> Delay is hazardous.
> The time for action has come.

> Other projects have been carefully canvassed and while we would avoid anything which might savour of premature condemnation, we are constrained to state that none of them can be accepted by Canada as alternatives at all likely to achieve the purpose.
>
> Universal acceptance.
>
> Deliberations must be governed by the time factor.
>
> If this change in our economic relationship is to be made, it must be made without delay.

These are the words he uttered when he left Great Britain:

> But if her proposal is thus to be contemptuously rejected Canadians can only accept the rejection and act accordingly by embracing other means at hand of further strengthening her economic position in the world.

I do not hear very much to-day from the Prime Minister along that line. The Minister of Trade and Commerce (Mr. Stevens) has been on the road to Damascus, or at least on the road to Montreal, because in the issue of a day or so ago of the Montreal Gazette I find this expression:

> I hope with all my heart that no delegates to the forthcoming imperial economic conference at Ottawa will arrive with any quid pro quo attitude; nothing could be farther than this from the minds of the Canadian delegates.

And again:

> There can be no question of what each is to ask. We shall all gather with the mutual desire and determination to work out general principles on which the economic well-being of the empire might be advanced and put on a firm basis. In this working out matters of detail affecting many industries will require careful study and consideration.

That is apparently the most he hopes for from the conference; it will be a conference for the working out of general principles and the details will be settled later. The following is the important part of the minister's remarks:

> But the conference will under no circumstances develop into a market wherein bartering for terms will take place.

I hope that is to be so, and I hope that that indicates that my hon. friend realizes the situation. That is the only position which the Canadian government can take if it expects any successful results from the imperial conference. I regret that the government did not take the opportunity of holding out a hand to Great Britain and saying: We are not adopting a quid pro quo attitude; these are the terms which we are willing to give and which are shown in our budget immediately preceding the conference.

The Liberal party stands not only for the statement of principle which I have already referred to, but it stands on a record of performance going back to 1897. I refrain, as did my hon. friend, from discussing the imperial conference policy in detail, but I do want to say that the Liberal party will welcome in every way possible every arrangement which my hon. friends can make for the development of trade between Canada and Great Britain. That has been and will continue to be the policy of the Liberal party.

But let me remind the house that we want trade not only with Great Britain but with all the world. Keeping in mind the assurances of the Prime Minister during the elections, let me sum up just what has happened during the past two years. This government has had a substantial majority in this house to carry all its proposals; it has had a free rein in the working out of its policies; it has had the treasury of the country at its disposal, it has had unlimited power, but what have been the results? They are found in the budget speech and in the facts which I have brought out. We had a deficit last year in the net debt of $119,000,000, and we will have a deficit this year, at least to the extent to which unemployment relief has to be provided for and for expenditures in connection with other items not mentioned in the budget. There has been an addition to the funded debt amounting to $302,000,000, while the shrinkage in total trade has amounted to 50 per cent, taxes have been increased enormously and unemployment has been worse during the present year than at any other time in the history of the country. This is the record presented by this government to the people.

The government has tried every possible expedient. It has proved conclusively that the home market is not sufficient to make it possible for our producers to produce, to sell and to make a living. I ask my hon. friends opposite in all seriousness: Do they believe that Canada as a storekeeper can market the commodities she produces under their policy of restricting trade? The National Revenue report for February, 1932, gives the following as the principle items of export:

Wheat.
Wheat flour.
Fish.
Furs.
Meats.
Cheese.
Planks and boards.
Wood pulp.
Newsprint.
Automobiles and parts.
Copper (unmanufactured).
Nickel (unmanufactured).

That is what Canada has on her shelves to sell to the world. The only manufactured article mentioned is automobiles, and the export of automobiles has dropped from $15,000,000 in 1931 to about $3,000,000 in 1932, notwithstanding the prohibition of the import of used cars. Employment in the automobile industry during the same period has dropped from 87.9 to 70.3.

Do my hon. friends think that we can sell these natural commodities by putting up tariff walls? They have had two years in which to try, and they ought to know. They should know what the result has been and the reasons for that result. We might just as well talk of Canada selling commodities like these and finding a market behind the tariff walls which my friends have put up as to talk of a storekeeper solemnly barricading his front and back doors and sitting down in his shop to swap jackknives with his family across the head of a barrel and thinking he is carrying on trade. It cannot be done. My hon. friends have blocked up every possible chink; they have attempted to preserve the home markets for the sheltered industries.

They would be better employed to spend their time studying the tariff schedules to find out not how little but how much they can buy. They should realize that the more they buy, the more they can sell. The Prime Minister is fond of quoting from scripture, but I would remind him of the old saying:

> A giving that doth not impoverish, a withholding that doth not enrich.

There is a buying which does not hurt a country. My right hon. friend is also quite fond of quoting Gladstone, and I refer him to a recent book on Gladstone as a financier,

which contains the following quotation from that great statesman:

Though we cannot in every particular case assume an immediate trade outwards when we create a trade inwards, yet it is manifest that upon the whole such is the law which must govern our commercial transactions.

Will my hon. friends get that idea into their minds? It seems to me that by this time they should have realized this fundamental truth. Last year I quoted references by great economists in various countries to the effect that high tariffs were strangling the trade of nations; I do not need to quote similar references this year because it can be heard on the streets, on the trains, in the clubs, or anywhere where men meet together. I do not know why my hon. friend does not realize the force of this truism. He should accept it, and his first step should be towards reversing the tariff policy which has been adopted by his government.

I have quoted Mr. Dunning's budget speech of 1930, and I submit that the statements which he made at that time as to Canada's trade policy hold just as true to-day as they did in 1930. They are even truer, because we have had the experience of my hon. friends dealing with the other sort of policy and making the mess of it that has been made during the last two years. This is what he said:

Canada will not engage in a tariff war with other countries.

I commend that to the Minister of Railways (Mr. Manion), who has been so red-blooded.

The world shows at the present time too many examples of disaster following such a course. As a great exporting nation our course must be the contrary one of facilitating trade with those who facilitate trade with us. Those who raise prohibitive barriers against our products entering their markets must expect that we will extend favour to our own good customers rather than to them. I speak in no spirit of retaliation. I would much rather extend lower tariff favours to those who extend them to us than to impose prohibitive tariffs in return for like treatment.

Lower tariffs to those who buy most freely from us make for trade extension and wider markets for our products, while prohibitory duties to meet prohibitory duties generally applied would constantly tend to restrict our export markets.

These tariff favours to those who favour our products are not the result of any bargain with any other country but of an attitude in international relations which we believe to be mutually beneficial and are an expression of the spirit in which Canada will approach the Imperial economic conference in a few months' time.

In the light of that enunciation of principle, in the light of the bitter experience which we have had in the last two years and in the light of the very different experience which this country had from 1921 to 1930 and from 1896 to 1911, the policy that we on this side of the house advocate is one of expansion rather than restriction of trade. It is the policy of the prudent salesman dealing with a good customer; it is not that of the warrior trying to overcome an antagonist or of a sharp trader bartering for the most and giving the least. It is a policy which recognizes that there are no finer industries in this country than those of farming, fishing, mining and lumbering and that on those industries Canada depends for her basic wealth and prosperity. We believe in the policy which will set flowing again the stream of external trade which is the dominion's very life-blood. We believe in giving Canadian enterprise room to breathe. We believe in throwing open the windows. We believe that what Canada wants at the present time is the fresh air of trade upon the seven seas.

The Minister of Finance calls for courage and endurance. Canadians have plenty of both. In spite of all that this government has done, Canadians are still courageous and resourceful and can still endure. Canadians have not lost faith in their country, but if they are effectively to bend their backs to the burden of taxes, they must have the right and opportunity to produce and to sell. So they demand that the measures which for the past two years have stifled and throttled the country's prosperity, be abandoned, and that the government, even at this eleventh hour, recognize that in a policy not of simply imposing taxation and calling upon people to bear it bravely, but of stimulation and revival of trade and the resumption of production, lies our hope for improved conditions, for which this government piously hopes but which it does absolutely nothing to bring about.

Therefore, Mr Speaker, I move, seconded by the hon. member for West Edmonton (Mr. Stewart):

That all the words after the word "that" be struck out and the following substituted therefor:

"this house is of the opinion

"that increases made by the present administration in the customs tariff have been arbitrary, ill-considered and inordinate, and have had the effect of stifling agriculture and other industries, restricting trade and commerce, and increasing unemployment;

"that the fixing of values for duty purposes by orders in council is an interference with the inherent right of parliament to regulate duties and determine taxation, and has had an unsettling effect on commerce, a depressing effect on business, and has been detrimental to the interests alike of producers, importers, distributors and consumers;

"that a reversal of the present fiscal policy in relation to customs tariffs and an immediate resumption of parliamentary direction and control with respect thereto are essential to a revival of trade, and improvement in business, and to the ultimate return of prosperity in Canada."

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, this afternoon the house listened for two hours and a half to the hon. member for Shelburne-Yarmouth (Mr. Ralston) expressing in no kindly terms his opinion of the government and its administration. I followed the remarks of the hon. gentleman with care, and while with his usual facility of speech and capacity as a lawyer to place his case forcibly, he undoubtedly did well, as I listened to him I sought in vain for one syllable which would indicate the slightest appreciation of the difficulties which the government has to face and with which the world generally is confronted. Nor did I hear one word by way of analysis of the causes of the world's difficulties, or that would assist the government or this house in the solution of present problems. From my hon. friend's point of view the government could get credit for nothing—nothing at all. His was a subtle, bitter, and I might say petty criticism of the government's position and difficulties. That there is much to complain about no one will question, but surely, Mr. Speaker, somewhere within the ambit of this budget or at some odd moment during the last year and a half the hon. member could have found some common ground upon which the opposition and the government might offer something for the benefit of the country at large.

As a matter of fact my hon. friend's pessimism reminded me of Bernard Shaw's definition of a pessimist. He said that a pessimist was one who thinks everybody is as nasty as himself, and hates them accordingly. I confess as I listened to the bitterness of my hon. friend's denouncement and noted the total absence of constructive criticism, I was reminded of the observation of that cynic.

The hon. member presented an amendment to the house, and to that amendment I shall devote only a few moments of my time, because as I proceed with the remarks I have to offer I think much that has been complained of in the amendment will be answered. The amendment is divided into three parts, and in the first paragraph I find this observation:

That increases made by the present administration in the customs tariff have been arbitrary, ill-considered and inordinate, and have had the effect of stifling agriculture and other industries, restricting trade and commerce, and increasing unemployment.

Briefly I would say this: If action under extraordinary circumstances, where a government is called upon to face the most unexpected incidents and difficulties, is taken promptly, and my hon. friends wish to apply the term "arbitrary" to such action, then we confess that some of the actions of this government have been arbitrary. Necessity made them so.

As regards the "stifling of agriculture", in a few moments I shall show some of the real causes for that stifling. "Restricting trade and commerce"—yes, we restricted it; there is no doubt about that. We restricted imports when goods were entering Canada under conditions prejudicial to the interests of Canadian industry and the Canadian people. To the suggestion that we have increased unemployment I give an emphatic no, because we know and he knows that the measures he complains about have to a great extent actually maintained employment in many industries, and in some cases increased it.

The second paragraph states:

That the fixing of values for duty purposes by orders in council is an interference with the inherent right of parliament. . . .

Of course that is one of the stock arguments and cries of my hon. friends opposite. It does not matter what parliament may do by way of placing authority upon a government, if that government happens to be other than one composed of my hon. friends opposite, then when it exercises the powers conferred upon it by parliament it is interfering with the inherent rights of parliament. My hon. friend is most unhappy in that statement. He goes on to say—the government's policy had—

—a depressing effect on business, and has been detrimental to the interests alike of producers, importers, distributors and consumers.

We are familiar with those words. The use of them is an effort, by one sweeping statement, to gather to the support of his views all classes of the public. The last paragraph reads:

That a reversal of the present fiscal policy in relation to customs tariffs and an immediate resumption of parliamentary direction and control with respect thereto are essential to a

revival of trade, and improvement in business, and to the ultimate return of prosperity in Canada.

I submit, and shall show during the course of my remarks, that a reversal of the action taken by this government during the past year and a half would result in precisely the opposite to what my hon. friend indicates in this amendment to be his desire. I shall not further analyse the amendment, but as I proceed with my remarks I hope to deal with practically all the points there raised.

Before addressing my remarks to the subjects I intend particularly to discuss I wish to deal with two or three matters raised by my hon. friend, and to dispose of them briefly and without labouring the points.

My hon. friend was put to pretty extreme limits when he went back to the old cry which years ago was proven to be false, namely, that the Conservative and Union governments during the war did not raise one cent from taxes for war expenditures. That statement has been disproved over and over again. It is well known that several hundred million dollars of the war costs were raised by taxation and paid in cash. I am surprised that my hon. friend would direct the attention of the country back to something which he thinks perhaps, the memory of the people being short, he would be able to get away with. I simply brand it as a statement absolutely without any foundation in fact.

Then he referred to the conversion loan in rather sneering tones. I think the people were proud of the achievements of the country and of its Prime Minister, its leader, in that conversion loan. My hon. friend went to great pains this afternoon to indulge in some not commendable quips about the Prime Minister n connection with that loan. The conceiving, he organizing, and the selecting of the time when that loan should be put out was a masterly stroke, I care not who did it. Furthermore, its absolute success is proven by the result. Now my hon. friend says, "Oh, but there are people to-day who are sorry they converted their bonds." I have not heard of complaints from any persons in Canada regarding the conversion of their bonds; there may have been some, but I have not heard of them. But what will that conversion loan mean for the country is the question to be asked; that is the test for the whole business. The result will mean a progressive saving in interest to this country of one, two, and ultimately around five or six million dollars a year. That is an achievement. That financing had been hanging over the governments of this country for several years. I recall very well a few years ago ministers of finance of the government of my right hon. friend opposite reminding the house that the time was coming when those large war loans were maturing and that some serious financing would have to be done. The "serious financing" was done, and it was successful largely because of the foresight and the skill with which it was handled by the right hon. leader of this government.

My hon. friend criticized the action of the government in coming to the assistance of the provinces. He was rather careful, he did not take the stand definitely that the government ought not to have assisted the provinces; he would not put in the form of an amendment a motion to condemn the government, but he hinted and insinuated that there was something sinister, something lacking in statesmanship on the part of this government or its leader in coming to the assistance of the provinces at this time. Mr. Speaker, we welcome manly criticism, criticism frank and open with reasons for it. My hon. friend gave no reasons this afternoon for his position. He simply suggested that in some way or other there was something sinister in the action of the government. What are the facts? They are clear and simple. The two old provinces, and indeed the maritime provinces as well, with their well-established methods of finance, have been able to finance themselves up to the present. It is true the federal government had in some respects to render them assistance in the movement of gold, but generally speaking those provinces have been quite able to look after themselves. When, however, we come to the four western provinces, new, young provinces where there has been an outpouring in very large measure of extravagant —shall I say?—costs in constructing roadways, public buildings and all that sort of thing for a number of years, the position was different. It may be charged that those western provinces have been extravagant, but the fact is, confronted as they were, in regard to three of them, with collapse in their main item of revenue, namely, the wheat crop, for three successive years in many places, and two years in others; confronted with that and other difficulties, they found themselves in the face of the collapse of the international exchange market unable to meet some of their obligations abroad except at costs that would be unwarranted. Rather than put them to that necessity, rather than force them into a position of delinquency—shall I say?—this government considered it was the part of wisdom in the interest of the credit of Canada to render some assistance to them. So because

we were able on the markets of the world and within the dominion to secure funds for the purpose, we properly, and I think wisely, having in mind the credit of the country at large, came to their assistance and offered them some advances—nothing very extravagant up to the present. I say to hon. gentlemen opposite, if we are properly to be subject to the criticism of the hon. member for Shelburne-Yarmouth on this head, let those criticisms be put in the form of an amendment to the budget, thus placing themselves on record as condemning the government for their western financial policy.

My hon. friend also harked back to the transcontinental railways. In this he was unhappy, very unhappy. Seeking by the way merely to justify the position of his party during the years they were in office regarding the expenditures by the Canadian National Railways, he said in sweeping terms, "Why, every man in the house, every party in the house, the old government, the Borden government, all endorsed this measure, all stood for three transcontinental railways." They did not. Turn to the debates of 1903 and 1904—

Mr. RALSTON: I have.

Mr. STEVENS: —and read what Sir Robert Borden said. I recall it very well. I have not had time to bring those debates here, and I should not want to read lengthy excerpts from them, but anybody who desires can do so. What was Sir Robert Borden's proposal on behalf of the Conservative party of the day? I ask hon. members opposite to consider it and then give to that right hon. gentleman, that venerable statesman, credit for an insight into the future that is seldom found in any man. What did Sir Robert Borden say? He said: Secure the Canada Atlantic, extend it to North Bay and make it a common road for the Canadian Pacific and the Grand Trunk; follow the Canadian Pacific from North Bay to the head of the lakes, double track it if necessary, but let that railway be occupied by the two systems that you propose; then when you get towards the prairies where the broad wheat fields are located spread your line out, have two or three railway systems there if you wish; then carry your line through the Yellowhead pass, to give you a good grade, down to Kamloops, two hundred and fifty miles from the coast; double track the Canadian Pacific from that point to Vancouver, and there again make it a common road. I ask hon. members this question: Had the people of Canada accepted the advice of Sir Robert Borden would it not have saved this country hundreds of millions of dollars of investment in railways? Of that there is no doubt. Sir Robert Borden and the Conservative members of the day did their best to persuade the then government against three transcontinental railways. I would not have wasted the time of the house to point this out but for the fact that my hon. friend brought up the subject and indulged in what I think was grossly unfair criticism.

Regarding income tax, he criticized the retroactive feature, and suggested that one of the reasons prompting the Minister of Finance and his colleagues in amending the income tax, in proposing the five per cent surtax and withdrawing the twenty per cent discount, was that we wanted to injure the civil servants of this country. He said that we had deducted ten per cent from their wages and increased the income tax to spite the civil servants of Canada. As a matter of fact those receiving under $1,200 will not be touched at all by the income tax proposals. Those who will be affected by the present income tax proposals of the Minister of Finance are those who, to use the common phrase, are most able to pay and most able to bear the burden.

In the course of my remarks, Mr. Speaker, I shall refer to other observations made by the hon. gentleman, but I will not at the moment follow his speech further.

In presenting his budget the Minister of Finance gave to the country a clear, concise outline of the financial affairs of the country. There were no evasions and no equivocations. It was an unadorned statement of fact, and for this I think he should be complimented and commended. He fearlessly laid bare to the country losses in revenue, a falling off in trade and an increase in debt; he tells us that we must curb expenditures and increase taxation. All this may be very disagreeable, and it may be useful material for the destructive critic to take before the people, but it was necessary, and to my mind it was wise and courageous. I contend, Mr. Speaker, that the minister has discharged a difficult task with such marked ability that the country will share with us a feeling of confidence in his capacity to guide us wisely and safely through these troublous days.

Referring to the budget, with which I shall now deal briefly, my hon. friend (Mr. Ralston) indicated that the only safe way to prepare a budget was carefully to avoid making any estimate of revenue. The ministers of finance of the party opposite did not bring down budgets in which estimates of revenue for the coming year were given; they simply presented to the house abbreviated statements of past

revenues and expenditures. Last year the right hon. leader of the government presented to the house certain estimates. It is now argued that those estimates fell short of what was actually realized, and to-day the right hon. gentleman is arraigned by my hon. friends opposite for failure to realize the estimated revenue of last year. In fairness to the government and to the Prime Minister I invite the house to consider the facts, and in doing so we are not seeking quarter from those who refuse to recognize any argument or any reason for the course pursued by the government. I do think, however, it is wise to consider the facts.

The failure to realize the amount of revenue estimated is due to certain causes. First there was the dropping off in commodity prices during the past year, amounting to at least ten per cent. I shall deal with that in considerable detail a little later, but for the moment let me point this out: The drop in commodity prices, under our system of revenue, with sales tax, excise tax and customs duties, necessarily must be immediately reflected in a falling revenue. There is no question at all of that. The only thing that remains is to analyze the causes of the drop, which I shall attempt to do later, in order to see if there is anything we can do to correct it. Then there was a drop in volume of business which was unforeseen. It may be argued that the government should have foreseen it; indeed, this afternoon my hon. friend stated very definitely that the government should have known what was ahead. I notice, however, that in no part of the world is there anyone who claims that he could foresee the extent of this depression, the drop in prices and so forth. Even some of the most skilled economists, who predicted in part something of this kind, never dared predict the length to which this depression would go. There was a drop in volume of business of from ten per cent to thirteen per cent, so these two factors alone, over which this government had no control whatever, account for over twenty per cent of the drop in the revenues of this country. I do not think, therefore, that it is the part of fair criticism to point a finger at the Prime Minister to-day and say that last year he failed properly to estimate the revenues of the country. The fact remains that we come forward and show what are the true facts, and we are quite ready to take whatever responsibility is ours.

If it were possible to do so briefly, and if I felt warranted in doing so, I might remind my hon. friends of how frequently in the past they measured the burden of taxation upon the people of Canada by the amount of revenue raised through taxation.

[Mr. Stevens.]

Mr. BROWN: Oh, no.

Mr. STEVENS: Oh, yes. When it suits their argument hon. gentlemen opposite frequently state that the rate of taxation is measured by the revenue produced or collected from the people. In my long experience in this house I recall having heard that argument frequently.

Mr. BROWN: That came from hon. gentlemen opposite.

Mr. STEVENS: Be that as it may, here are the facts: Last year taxation produced $273,000,000 in revenue, or more than $122,000,000 less than was raised in taxes during 1928-29. I do not advance that as any argument to support the position of the government at the present time; I merely cite it as a fact. This is the point I wish to make; when there is a drop in commodity prices—which my hon. friend ignored this afternoon, and to which he gave no weight—it is reflected in a drop in revenue such as I have indicated. Inevitably it results in a lessening of taxation to that extent; there is no escape from that argument.

Mr. RALSTON: Except that there is an arbitrary value fixed upon which the duty is collected.

Mr. STEVENS: That has nothing whatever to do with my point at the moment; I will deal with that matter later. There is also the suggestion that there has been an increase in expenditure. Again I invite the house to look at the facts. My hon. friend said, quite truly, that the total expenditure was $454,000,000, but this included over $49,000,000 for unemployment relief and the wheat bonus, leaving a total expenditure of about $404,000,000. That represents an increase over 1929-30, the last full year hon. gentlemen opposite were in power, of about $6,500,000. The question may be, and is, properly asked: How does this government account for an increase of $6,500,000 in expenditure over last year? I will account for about $31,000,000 of it, and I think my hon. friends will see that the expenditure of this $31,000,000 which I shall now cite was unavoidable and inescapable.

First there were provincial subsidies, which were increased by $1,000,000. We took a census, and under the British North America Act the subsidies were arbitrarily increased by over $1,000,000. That is expenditure number one, unavoidable and inescapable. Then there was the old age pension legislation, which was introduced by hon. gentlemen

opposite. Our share was increased to 75 per cent by the amendments put through a year and a half ago, and in consequence the direct charge against the federal government was increased last year by $8,700,000, another inescapable and unavoidable expenditure. Then let us take war pensions. Due to the legislation of 1930, in which the whole house and parliament generally concurred, war pensions were increased by $8,000,000. Then there is the care of ex-soldiers, a special charge upon the government, representing an increase of $2,700,000. Next, take maritime freight rates legislation introduced by my hon. friends opposite and concurred in by parliament, something over which we have no control whatever; the application of that legislation resulted in an increase of $3,800,000 last year, due largely to the decline in the movement of commodities over that section of the railways. Then take census and Canada Grain Act: these two account for another $3,240,000 instead of $3,500,000, or a total of $31,000,000 in increased expenditures, which neither this government nor any other could have controlled in any way. In others words, while we show an increase of $6,500,000 in expenditures, $31,000,000 was inescapable, which indicates at least a retrenchment of about $25,000,000 on the part of this government during that period.

Now I turn to the question of the public debt. Here again I think it is well for the house to be frank and fair in considering this matter. We find there has been an increase in the public debt; but during the period that hon. gentlemen opposite were in office there was an increase of guaranteed obligations. Prior to 1922, in very large measure the Canadian National Railways' obligations were absorbed into the public debt of the country in the form of estimates and payment in cash. My hon. friends introduced the process of settling these by guaranteed bonds, guaranteed securities. I am not complaining about it, but let us look at the facts. On March 31, 1922, these guaranteed securities amounted to $465,000,000; on March 31, 1931, they amounted to $954,000,000, or an increase of $489,000,000 in guaranteed securities, which were not reflected at all in the public debt as reported by hon. gentlemen opposite during their term of office. If we deduct from that sum the decrease in the public debt during the same period, it will show a net increase of the debt obligation to this country during their term of office of $329,000,000. I submit that it is only fair, it is only common sense, it is only wisdom for the people of this country to recognize that, because it has been by ignoring the piling-up of the capital charges of the Canadian National Railways that we find ourselves in the position we are in to-day in connection with that great undertaking.

My hon. friend referred to the deficit, and I am going to mention some of the items that went to make up the $219,000,000 to which he referred. Provincial Government Relief Act, $22,000,000: Were we wise or not in incurring that?

Mr. RALSTON: The sum of $11,000,000 was advanced to them in order to pay loans in New York, and $10,000,000 was on account of the relief act.

Mr. STEVENS: It is the same thing; the total is $22,000,000.

Mr. RALSTON: Yes, but it is not all relief; that is a very different thing.

Mr. STEVENS: It is all in connection with the condition in which the prairie provinces find themselves owing to the failure of crops there at the present time, and it is all advanced to them on that account. Was the government right or wrong in that regard? That is the test of the whole thing. Ought we or ought we not to have done it? Are we to be condemned or are we to be commended for having done it? My hon. friends condemn us for doing it; they hold us up to public obloquy because we have done it. They say it is bad administration. Well, we assert that we were right and that it was the wise thing to do. The Canadian National Railways took $41,000,000, which appears as a cash advance by the Minister of Finance. Again I ask, were we justified or not? Should we or should we not have made that advance? My hon. friend would not offer an opinion on that—not for a moment. He does not condemn us and he will not condemn us now for making that advance to the Canadian National Railways. He knows perfectly well that it had to be done if the Canadian National Railways were not to be thrown into liquidation. Does he want the railways in liquidation? I think not. Do my hon. friends opposite want it in liquidation?

Mr. STEWART (Edmonton): What is new about it?

Mr. STEVENS: Nothing new about it except that he condemned us this afternoon for this expenditure—

Mr. RALSTON: I beg your pardon.

Mr. STEVENS: —when as a matter of fact it was absolutely necessary.

Mr. RALSTON: The hon. gentleman is setting up a straw man and knocking it down.

Mr. STEVENS: My hon. friend made a long attack upon us in connection with this matter; he spoke bitterly about the $219,000,000.

Mr. RALSTON: I spoke about the increase in the funded debt.

Mr. STEVENS: Yes, and the hon. gentleman took great care to leave the impression that there had been an increase of $219,000,000. Those are the figures he gave.

Mr. RALSTON: Will my hon. friend permit me—

Some hon. MEMBERS: Order.

Mr. STEVENS: I am going to show how that $219,000,000 is made up.

Mr. RALSTON: I said that the difference between the two net debts was $119,500,000, but the increase in the funded debt for the year is $182,000,000. There was no $219,000,000 mentioned.

Mr. STEVENS: The only reason I refer to this is that my hon. friend laboured it and had this very statement in front of him. He laboured the point and left the impression on the minds of those who were listening to him —the papers will undoubtedly show it tomorrow—that there was an increase of this sum.

Mr. RALSTON: I never mentioned that amount; I must correct my hon. friend. I never mentioned $219,000,000.

Mr. STEVENS: Then my ears played me false, although I listened with great care.

Mr. RALSTON: You are mistaken.

Mr. STEVENS: Now let me turn to the question of deficits. Last year there was a deficit for which we are being condemned here and now. May I, for one purpose only, invite the attention of the house to a consideration of the deficits of various countries of the world, and I do so not to justify a deficit in this country but rather to impress upon the minds of hon. gentlemen the fact that the causes of our difficulty are causes that are common to all countries; and if we are to remedy the situation we must seek the remedy amongst the different countries of the world rather than singly in Canada. The deficit of the United States for the current year is estimated at $2,123,000,000; Germany, $167,000,000; France, $120,000,000; Canada, $51,000,000; Belgium, $55,000,000; Italy, $47,000,000 for the first period and $176,000,000 for 1932. I cite these, not as an argument to justify a deficit in Canada but rather to show how worldwide is the crisis through which we are passing.

Now, my hon. friend used a most extraordinary argument in connection with exports and imports. I think I have him right in this, because I made a note of it, and I do not wish to be accused of misquoting him. The exports do not exceed the imports, he said; he declared that it is a misleading statement that the government is giving out, that during the last nine or ten months exports have exceeded imports. He says it is not true. He says it is grossly misleading to say that. The truth is, he says, that imports are less than exports. Can anyone make anything out of that? It is like saying that it is not right to say that black is not white, but that you should say that white is not black. That is exactly the form of his argument. As a matter of fact, there are some very interesting figures regarding the decline of trade. I shall cite these figures for a purpose which I shall show in a moment, namely, that this thing with which we are confronted is not something that can be lightly treated by this or any other country; it must be faced as an international problem. We find the following percentages of decrease in exports:

	Per cent
United Kingdom	39·9
United States	36·9
Canada	31·8
Germany	23·5
France	28·9
Holland	23·7
Belgium	11·5
Italy	17·1

I have a list of the figures applicable to other countries, but those I have given show the decrease for the leading countries of the world. It will be noted that there is a uniform decline in exports, and the same applies to imports and total trade, in almost the same percentages. I shall not weary the house with all the figures. There has been a decline of trade throughout the whole world.

The question is, what are we here for? Are we here to indulge in interminable bickerings on narrow interpretations of obscure points in international law? Are we here to discourse more or less learnedly on theories of social systems? Are we here merely to settle

parochial disputes as to whether Jim or Tom shall have the appointment as fish guardian or locktender or what not? This is for the hon. member for Gloucester (Mr. Veniot).

Mr. VENIOT: As my hon. friend has mentioned my name, I may remind him that it was he who took up so much time in 1929 doing that very thing.

Mr. STEVENS: I took up very little time. Rather, is it not our first duty to face courageously the economic problems which confront this country in common with others, and attempt to arrive at a solution? There is no royal road to prosperity any more than there is to learning; alike, the peer and the peasant must climb to its abode.

I think I have passed the controversial point in my remarks, and I invite hon. friends opposite to consider certain matters. The machinery of government is much more complex to-day than it ever was before; its contacts with commerce are much more intimate. Commerce, industry, agriculture and finance are all operating to-day with machinery much more delicate than that employed a few years ago. In my opinion, the chart of 1919, of which the right hon. the leader of the opposition has so often spoken, would not serve to guide the country to-day in the way in which he and others expected it would at that time. Times have changed, conditions have changed, contacts between government and business are altogether more intimate and critical than they ever were before. A question which we might very well ask is, what about the future? We hear a great deal nowadays about economic planning and I ask the question—can we plan for the future? I think we can. I do not think it can be done by laying down precise schemes in which all humans are to be treated as parts of a machine, to be fitted in here or there as the commissary or manager may dictate; it can be done by taking the known factors, now a part of our confusion and distress, and directing them so that the results of their operation may move towards orderly progress.

Mr. STEWART (Edmonton): That sounds like the Ottawa Citizen.

Mr. STEVENS: My hon. friend may laugh at me, but I am serious about this. If the editor of the Citizen or any other paper will face these facts and attempt to appraise properly the factors which are operating to-day, attempt to understand them and see if it is possible to guide them for the benefit of this and other countries, then he will be doing a service to this parliament and to the world which should not be laughed at.

There are four factors to which I should like to invite attention—price levels, debt, interest and trade. Price levels are admittedly the most disturbing factor to-day. If we could restore the levels of 1928 for wheat, copper, paper, lumber and fish, we would restore prosperity to Canada. I say to hon. friends opposite that it is not sufficient to reply to this statement by saying: yes, we were in power when those values obtained. The fact is that certain international factors have been in operation and price levels have been seriously affected. What is the cause of this drop in commodity prices? Prices are expressed in terms of currency, and in the leading countries of the world the value of currency is attached to gold. If gold is scarce or is being hoarded, if gold is in abnormal demand for debts, then inevitably commodity prices will fall simply because people will be anxious to dispose of their commodities in order to secure gold to meet their obligations. We are confronted with this situation and it is admitted by everyone that gold is scarce. To my mind that is perhaps the underlying cause of most of our troubles to-day. That there is a scarcity of gold is so clear and so definitely admitted as to make it unnecessary for me to pursue my argument any further. We must now admit, and I think it will be admitted, that the value or purchasing power of money does vitally affect commodity prices.

My next point is that the most injurious thing to the economic world to-day, or for that matter, at any time, is fluctuation in the value or purchasing power of money. As an illustration, I invite the house to consider this fact: The purchasing power of money is oscillating violently these days. In 1928 a ton of copper equalled two thousand pounds, and in 1931 it equalled two thousand pounds. In 1928, a ton of copper equalled $360, in 1931 it equalled $120. In other words, copper when measured in terms of money to-day is worth just one-third what it was worth three years ago, whereas in terms of weight it is worth exactly the same. Let us take wheat; in 1928 a bushel of wheat equalled 60 pounds, as it did in 1931, while in 1928 it equalled $1.20 and in 1931 only 60 cents. The weight or bushel measurement did not vary, while the cash value did. I shall ask a question which, although it may seem foolish to some is to me very important. What would happen to an economic system where the weights and measures fluctuated as do the values of

money? In my opinion we are not giving sufficient consideration to the subject of the stabilization of the value or purchasing power of money. It seems to me that the first and most important step we should attempt to take is to secure the stabilization of the value or purchasing power of money. That is not something for which this government is to be blamed; it is of international importance, and I think the government and parliament should direct their attention to the study of the problem and along with other governments attempt to arrive at a solution.

Let me now deal with the question of debt, my second factor. The world is sunk in a veritable morass of debt. Of that there can be no doubt. International debts are overshadowing the relations of the various nations of the world, one with another, as no other influence is affecting those relations to-day. Let me put it in this way: Germany this year is not budgeting for the payment of her reparations; she says simply: It is not possible; I cannot do it. Why is Germany not budgeting for the payment of her reparations? Because the burden of debt incurred during the war being, due to the fall of commodity prices, increased by one, two and in many cases, three times what it was, she is unable to face the situation. Let us carry this a step further and look at it in the light of federal, provincial, municipal and private debt. The fact is that the weight of debt in this and other countries has been doubled due to the drop in commodity prices. Therefore the fluctuation in the price level is a vital factor in matters affecting debt.

Some hon. MEMBERS: Hear, hear.

Mr. STEVENS: I notice my hon. friends angularly opposite, as we used to say, agree with me in this analysis. If the price level continues to fall, the burden of the debtor increases accordingly. If the price level rises, then the creditor loses. It is admitted that the present burden of debt is unbearable, not only as regards nations but in many instances as regards individuals. The question then introduces itself: How, then, can the debt burden be modified? My answer to that is this: it can be modified by a raising of the price level, and this in turn reintroduces the currency question.

May I give an illustration regarding the debt of Canada? My hon. friend this afternoon said: What are the things that Canada exports? He cited wheat, paper, copper and a few other items of that kind, and, he said, as these are the things that Canada exports, we should seek to open up markets for them in other lands. He overlooked this very significant point with which I shall now deal: Canada has to pay her debt abroad. She is paying it at present in the United States to the extent of $250,000,000 a year in interest. My hon. friend did not recognize that. He says: These things are paid for by exports. I do not think he said that this afternoon, but he will agree with me that ordinarily is a correct interpretation of his remarks. All right; we have to pay the United States $250,000,000 a year in interest.

Mr. ARTHURS: Not the dominion.

Mr. STEVENS: The whole of the dominion; that is for the $6,000,000,000 obligation we have over there. The price of paper dropped one-third. We export nearly all our paper to the United States; that is the way we pay our indebtedness to that country. In other words, for every ton of paper we ship over there we fell down, as compared with 1927-28 price levels, one-third in meeting that obligation. Copper is a very large item of export to the United States and its price has fallen to one-third of what it was; in other words, we fell down two-thirds in meeting our obligation in copper. The price of lumber has dropped to about one-half; wheat we do not ship over there; but if we take that obligation to the United States alone, my point is this; separating the United States for the moment from all other countries, we ought to be exporting to it about $200,000,000 to $250,000,000 a year more than we import from it. But what does my right hon. friend's free trade policy do for us in this regard? Supposing we wiped out all the tariff barriers between Canada and the United States, will they increase their buying from us? No, he must know they will not. His policy does not meet that difficulty at all, and before I finish my remarks I shall show how this works in regard to other countries.

Let me turn to the third factor, that of interest. I say this advisedly; I say it after a good deal of study and thought, and I ask my hon. friends angularly opposite to accept it in regard to not only agriculturists but industrialists and merchants, because it is only by having some degree of sympathetic contact among the different branches of activity in this country that we are going to make any progress. No agriculturist, no industrialist and no merchant can afford to pay ten per cent interest for the money he uses in his business; it simply cannot be done; normal business will not permit of that rate of interest. Moreover, no bank can afford to take a loan at ten per

cent, because it is too risky. When a loan justifies a rate of ten per cent, in my opinion it is too risky a loan for a bank to take at all and ought not to be accepted. Whether or not that can be covered by arbitrary statutory legislation is another question. That can be discussed next year at the revision of the Bank Act. I am laying down what I consider to be sound business principles directly affecting our welfare, and the same principles are operating in every corner of the world to-day affecting the business of the world and affecting us along with the other countries. But I lay down the principle that a rate of interest around eight or ten per cent makes successful operation of the ordinary business activities impossible and unprofitable.

Let us look for a moment at a farm mortgage in the light of commodity prices. Again I come back to this one point, and I am going to invite my hon. friends opposite to join me in this study. Let us look at it in this way: on a farm loan of $2,000 at eight per cent, in 1928 the interest would be $160 payable in 133 bushels of wheat, whereas in 1931 the interest is still $160 but it is payable in 266 bushels of wheat. In other words—let us get this as clearly as possible—interest is not something that is made by money but something that must be taken out of the productivity of the country and paid upon the money that is lent. That commodity prices have dropped to the unwarranted levels of to-day simply means that the farmer, in paying the interest on his farm loan, must take 266 bushels of wheat to do what he did with 133 bushels two years ago. Precisely the same principle applies to an industry. Take one that has for its basic product copper, lead or zinc, operating in some manufacturing concern. Suppose they borrowed $50,000 three or four years ago. In the payment of interest on that money, where they formerly calculated an output of a given amount would serve to meet that payment, it would to-day take an output of two to three times as much to discharge the obligation. So it again becomes clear that the price level is the chief factor in all the economic problems with which we are confronted.

I turn to the question of trade, which is the fourth factor that I think should challenge the attention of the house. I have already intimated that Canada is a debtor country. Our borrowings abroad amount to $6,250,000,000 and our loans abroad amount to about $1,250,000,000, leaving, roughly speaking, obligations to be met abroad in interest and recurring principal renewals of approximately $5,000,000,000. This is of importance and must be recognized and remembered. It was ignored by my hon. friend this afternoon. It is ignored very largely by those hon. members presenting the policy of my right hon. friend opposite. We are a debtor country—let us understand that—and the fact that we are makes all the difference in the world and calls for a different policy, from that adopted by a creditor country. We differ entirely from England. England is and has been for generations a creditor country; the United States is a creditor country, and France is a creditor country. As I said a minute ago, Canada being a debtor country to the extent of $5,000,000,000, she must find $250,000,000 per year in interest alone, besides renewals and repayments.

It is said that we must buy if we are going to sell; I think my hon. friend said that this afternoon. Let us test that statement by the free trade theory which is the ideal of my hon. friends opposite. There is one strange thing about my hon. friends opposite. They are very strong on free trade theories, but they never come forward and risk their political existence on the doctrine they profess. They will not do it now, Mr. Speaker; they had a chance to do it, but they would not. They do not do so in this attenuated, emasculated amendment moved to-day. They will not do that. They have theories, but they will never stake their reputation or political existence upon them. As my hon. friends opposite are advocates of free trade I think I am entitled to put the following question to them: Assuming that a country with a depreciated currency were suddenly to commence shipping goods into Canada at prices obviously below the cost of production, and further assuming that such goods were on the free list, and that Canadian industries were threatened thereby, would Canada be justified in adopting effective measures to prevent such goods from entering to the detriment of Canadian industry? That is the question I put to my hon. friends opposite. Those are the circumstances which have been the basis for the action of this government which has been so bitterly condemned by hon. gentlemen opposite, and which is condemned in the amendment now offered to the house. I repeat the question: If a country with a depreciated currency were suddenly to commence shipping goods into Canada at prices obviously below the cost of production, and further assuming that such goods were on the free list and Canadian industries were threatened thereby, would Canada be justified in taking effective measures to prevent the influx of those goods? Would she or would she not?

Some hon. MEMBERS: Yes.

An hon. MEMBER: No.

Mr. STEVENS: Their answer is no, and they condemn us for doing it. Our answer, Mr. Speaker, is a decided yes. Canada was daily confronted with that problem.

This afternoon my hon. friend spent a great deal of time in an effort to leave the impression upon the public that the government headed by my right hon. friend the Prime Minister had dealt unfairly and falsely with British exporters of goods to Canada. He laboured the question. What are the simple facts? On September 22, I think it was—

Mr. RALSTON: It was September 28.

Mr. STEVENS: No; anyway it was in September last—

Mr. CAHAN: September 21.

Mr. STEVENS: Yes, on Sepember 21, Great Britain unexpectedly went off the gold standard. The action of the mother country was not known to anybody—except the hon. member for Vancouver Centre (Mr. Mackenzie); he knew all about it. As the Prime Minister had said not even the leading bankers in New York or in other parts of the world had any idea or expectation of such action by Great Britain. They went off the gold standard, however, and what was the result? The result was that goods held in Great Britain at a pound value of $4.86 became available for export to other countries, Canada included, at a pound value of $4. $3.86, $3.76 or figures in that vicinity. That was a condition which no country could meet. Had we done nothing, what would have been the result? It would have been such as described by the writer of the memorandum from which my hon. friend quoted so freely this afternoon, the head of Robert Simpson Company, Limited; I recognized the figures he quoted. The result would have been highly satisfactory to that importer, because he could have imported goods, irrespective of the interests of Canada, at figures below what they originally represented in cost in the old country, simply because of the exigency of England going off the gold standard, simply because of a temporary financial catastrophe which overtook Great Britain. What did we do? Recognizing that there was an hiatus between the time that a country depreciated its currency, and the time the costs in that country could equalize that depreciation—recognizing there was an hiatus it became the duty of this government to provide safeguards against an absolutely inequitable and unfair competition. That is all we did.

Mr. RALSTON: No, you issued an order in council fixing the exchange at $4.86⅔, and then changed it next day.

Mr. STEVENS: And I will tell my hon. friend why we changed it; if he will contain himself for a minute I will tell him. We were faced with a condition, and it was impossible to estimate what the results would be.

Mr. RALSTON: You had had a week.

Mr. STEVENS: I am afraid my hon. friend is too restless; wait a moment. What did we find? We found that immediately certain large buyers of goods in this country were recognizing the fact that here was a chance to make very large and unwarranted profits.

Mr. RALSTON: Oh, oh.

Mr. STEVENS: What I am telling is the truth.

Mr. RALSTON: The consumers might have had a chance.

Mr. STEVENS: No, they would have received no benefit.

Mr. RALSTON: They might, possibly.

Mr. STEVENS: I should like to state the facts. Those buyers began cabling very extensive orders to the old country which would have flooded this country with goods during the period of hiatus I mentioned. In the meantime the pound had fallen to $3.86. The result would have been disastrous to Canada and unfair to everybody concerned. Very little if any benefit would have accrued to the consumer; great benefit would have accrued to the speculator. We said, "No, it is not going to happen."

Mr. RALSTON: No, you did not.

Mr. STEVENS: So we fixed the rate at $4.86.

Mr. RALSTON: No, you fixed it first at the exchange rate.

Mr. STEVENS: Wait a moment; having recognized these things about which I now speak, we fixed the rate at $4.86.

Mr. RALSTON: And you changed your mind again.

Mr. STEVENS: My hon. friend was not interrupted this afternoon. I spoke to him once but he did not answer me. Then, we went on for a period of several weeks, knowing that some change in the situation was bound to eventuate, either that the pound would sink lower or that Great Britain would

adjust her difficulties and the pound would recover. We expected it would drop lower; two or three weeks demonstrated that we were right in our expectation. We realized that $4.86 was too wide a spread between the actual selling price of goods, and the par value, and therefore we lowered the fixed value to $4.40. I wish to say that from experience and from trade records of the last six months, it would seem that $4.40 was about as fair, equitable and happy a figure as we could have chosen. It is true we could have kept on fluctuating through the whole winter, but we considered that $4.40 would serve fairly and equitably the purposes of Canadian industry and Canadian trade, and at the same time admit goods from the old country under conditions that were more favourable to them than they were before. Because the test is this; there was considerable increase in the export of goods from Great Britain under the fixation of price at $4.40.

Now, Mr. Speaker, I go a step further. My hon. friends say that raw materials should be on the free list, that there should be free movement. The right hon. gentleman has frequently used the phrase "We must buy so that we can sell." He has laid that down as a cardinal doctrine in economics. He also implies, as does also his party in their literature and their presentation of trade questions, that the more freedom there is to the movement of goods, as a result you get naturally an entree into the market of the other country. Let us look at certain commodities on the free list that are of very great importance to us—raw rubber, hides, silk, coffee, Egyptian cotton, pineapples. I could give dozens of other commodities, but these are rather important because their movement is fairly large. Take raw rubber. It is on the free list right across the board; anybody can ship raw rubber to Canada. Consequently, if my right hon. friend's theory is correct, we ought to have entry into the market where our rubber is produced. That is logical.

An hon. MEMBER: No.

Mr. STEVENS: Some one says "no." That is not a Liberal "no." But I say it is logical. If there is any advantage in having the movement of goods as free as possible, surely if raw rubber is on the free list it ought to result in the movement of Canadian goods out to the rubber-growing countries in return for our imports of raw rubber. What are the facts? We import ninety-eight per cent of our raw rubber from the United States, where there is not a pound of rubber produced. Where does your free trade come in there? But that is not the whole story; here is the balance, and it is very, very fatal to Canada. The Trade and Commerce department have trade commissioners in the areas where practically all the rubber, ninety-eight per cent, is produced, that is, the Malay peninsula, the Dutch East Indies, and Burma. What do those countries tell our trade agents. "You buy no goods from us. The United States is our big buyer. Therefore we favour their goods against yours." That baldly is their answer to us. Is that a condition we are warranted in continuing? Roughly, we import 60,000,000 pounds of raw rubber, and yet for the purchase of those goods we get no access to the markets of the countries that produce them.

Now let me take hides. Hides come from the Argentine. We import them through New York. Last year we imported some $3,000,000 worth. During the same period our Canadian National boats running to the Argentine lost in operation $500,000; the hides that come to Canada from the Argentine were brought in American and other bottoms to New York. Those hides are on the free list. The Argentine is saying to us, "We should like to buy more of your goods, but you do not buy much from us."

Next I take silk. Roughly speaking, we buy about $5,000,000 annually from Japan. It comes in through New York chiefly; some may come in by Vancouver, but very little, most of it goes through the Panama to New York, whence it is merchandised into Canada. It is on the free list right across the board. Japan says to us, "We are buying from you about twice as much goods as you buy from us. We should like you to buy more." No credit comes to us for this $5,000,000 worth of silk. As I say, it is on the free list and moves to us from New York. The same thing applies to coffee and to Egyptian cotton. The latter we use in very considerable quantities. The same thing applies also to Cuban pineapples. My hon. friends from Prince Edward Island have been after me to get Cuba to take some of their potatoes, and we have been doing our best to secure the Cuban market for them. But although we buy thousands of dollars worth of pineapples from Cuba, she gives us no credit for those purchases because the pineapples are sold to American dealers at New York whence they are imported into Canada.

Now, the point I am making is this: Where is your doctrine of "Throw down the bars, put commodities on the free list so that trade can move freely, and so restore prosperity to Canada."

Mr. RALSTON: The bars are down to us.

Mr. STEVENS: Precisely, the bars are down and have been down for years, but the goods do not flow to Canada, they are merchandised in another country, and we get no credit for them at all; we get no return trade. It is very easy to stand before the public if you do not attempt to analyse your proposals and say that if you will just let trade flow in its natural channels you will have prosperity. I assure my hon. friend that where there is the fullest opportunity for goods to flow in their natural channels they are not so flowing and we are not getting the benefit of our imports for the marketing of our goods in those producing countries. What we ought to do, and what we must do in my opinion, is so to adjust our trade policy that we will get full credit in those countries from whom we buy so that we can sell to them in return. I have been told by some that I am foolish, that I do not know what I am talking about—

Mr. YOUNG: What do you propose in that regard?

Mr. STEVENS: Just a minutee. Let me quote in this regard Mr. Carlisle's address at the shareholder's meeting of the Goodyear Tire and Rubber Company. Mr. Carlisle is perhaps one of the most outstanding business men of Canada, certainly he is one who understands his own business, the rubber business, thoroughly, and a man whom all those who know him hold in the highest esteem. He said this, in part:

> The depression that we are in, is a world condition and can only be solved by world solution.
>
> Our export market was affected adversely—due to excess tariffs in different countries, some places prohibiting the importation of products, a decrease in purchasing power and a very keen competition.

Then he goes on:

> The export market at the present time does not look good. I think it will be decidedly poor for 1932. It is going to continue to be poor until we get a world readjustment, which will not come this year, next year or the year after.

I cite that part as the opinion of a thoughtful and practical business man of note. He goes on:

> Our progress is measured almost entirely by the amount of materials and articles which we export. To my mind, export business can only be improved through a closer contact in operating conditions within the British empire or commonwealth.

Then he utters these very significant words:

> It is rather surprising, if you make a study of this question, how many things we can buy within the British empire. We can buy one hundred per cent of our rubber without inconvenience or loss of profit and we can buy a lot of our cotton from the same source.

Then he goes on with some other citations of a similar character. The point I wish to emphasize in this respect is that here is an outstanding authority on this subject telling us that if we address ourselves to the problem we can buy this rubber direct from British sources and bring it to Canada direct.

Some hon. MEMBERS: Hear, hear.

Mr. STEVENS: These are the opinions that this government is seeking to work out in anticipation of the Imperial economic conference. My hon. friend opposite and some of those associated with him sought to instil into the public mind and to send across the water to Great Britain the idea that this government is standing in a position of resistance against closer trade relations with the mother country. It is an absolute misinterpretation of our attitude and is not a fair interpretation of the efforts we are making. What we are hoping to do is this: In connection with many of the things we are now buying in other parts of the world, by readjustment of our trade facilities and trade policies we want to give to the mother country a larger share of those markets in Canada; we want to buy more within the British Empire, direct from the countries of production, and thus open a larger part of their markets for our business.

Now I must hasten, Mr. Speaker; I have one further thing to say and then I shall conclude. There is a great deal of talk of blue ruin, I was going to say; we are told that the country is going to the bow-wows, but there are still a few bright spots. I have a few here to which I should like to refer. Let us consider the production of gold which is up to a very marked degree. The 1931 gold production amounted to $55,000,000, and I think that is encouraging. Take leather footwear; in February, 1932, the total production was 1,500,000 pairs, an increase of 40 per cent over January, of 22 per cent over February a year ago and of 8 per cent over February two years ago. That is an industry of very considerable magnitude and importance, in which there is a steady increase in business. Take the export of bacon and hams; in February we exported 2,437,000 pounds as compared with 470,000 pounds in February, 1931, a marked increase. In February, 1932, we exported 23,000,000 pounds of copper, more than twice the amount exported during the same period in 1931. My hon. friend took dollar values. The dollar value of copper is

only one-third what it was two years ago, but when you come to the quantity value you have double the export of a year ago. The export of concentrated milk products amounted to 1,300,000 pounds, a gain of 200,000 pounds over February of a year ago.

Mr. YOUNG: Could the minister give us comparative prices for the same period?

Mr. STEVENS: No, I cannot, but the price is very markedly down. What I am trying to do is show that as far as production and export are concerned, in some cases they have shown distinct gains. Take the export of flour to the West Indies. I have not the exact figures, but there is a marked increase in weight, though the value is down, of course. We are exporting more wheat this year than we exported last year or the year before.

Mr. RALSTON: No.

Mr. STEVENS: I think so.

Mr. RALSTON: I think the minister will find from his own reports that on December 31 the exports were about 17,000,000 bushels less than in the preceding year, while the value was down by $64,000,000.

Mr. STEVENS: I will not dispute that statement, but I looked up the figures a short time ago and at that time the exports showed an increase. I have not the figures before me, so I will accept the correction of my hon. friend. The export of butter for the twelve months amounted to 10,800,000 pounds as compared with 1,170,000 pounds during the preceding twelve months, and for the same period we exported 85,000,000 pounds of cheese, a considerable increase over last year. I just cite these few figures for this purpose: Undoubtedly the dollar value of exports and of trade in general has fallen tremendously, but the quantity value has not fallen to anything like the same degree.

In conclusion I should like to read from an article which came to my notice some time ago, and I have a brief comment to make in regard to it. This article is entitled "The Lesson of the Day," and reads:

> It is a gloomy moment in history. Not for many years—not in the lifetime of most men who read this paper—has there been so much grave and deep apprehension; never has the future seemed so incalculable as at this time. . . .
>
> In France the political cauldron seethes and bubbles with uncertainty; Russia hangs as usual, like a cloud, dark and silent upon the horizon of Europe; while all the energies, resources and influences of the British Empire are sorely tried, and are yet to be tried more sorely, in coping with the vast and deadly Indian insurrection, and with its disturbed relations in China.
>
> It is a solemn moment, and no man can feel an indifference (which, happily, no man pretends to feel) in the issue of events.
>
> Of our own troubles no man can see the end. They are, fortunately, as yet mainly commercial; and if we are only to lose money and by painful poverty to be taught wisdom—the wisdom of honour, of faith, of sympathy and of charity—no man need seriously despair. And yet the very haste to be rich, which is the occasion of this widespread calamity, has also tended to destroy the moral forces with which we are to resist and subdue the calamity.
>
> Good friends—let our conduct prove that the call comes to men who have large hearts, however narrowed their homes may be; who have open hands, however empty their purses. In time of peril we have nothing but manhood, strong in its faith in God, to rely upon; and whoever shows himself truly a God-fearing man now, by helping wherever and however he can, will be as blessed and beloved as a great light in darkness.

This article, Mr. Speaker, appeared in Harper's Weekly of October 10, 1857. I read that for one purpose only, to indicate that while times undoubtedly are difficult, while we are labouring under stress and discouragement and in some cases almost despair, the fact is that the world has experienced conditions of this kind in the past. Little will be gained by merely attacking the one or the other, by seeking to load upon any government the full responsibility for all our distress. On the other hand, perhaps out of the depression and despair of these dark days we may learn principles of fortitude and of economy that will be of advantage to us in the future. But the solution of these troubles will not come from the efforts of any one nation; it must be found in the cooperation of the nations of the world, and to that end I say, as I have already said during the course of my remarks, that I invite study on the part of the house of the problems with which we are confronted so that the government may be guided, assisted and supported in its efforts to deal with these problems in conjunction with governments in other parts of the world.

Mr. A. A. HEAPS (North Winnipeg): Mr. Speaker, this afternoon and this evening the house has been privileged to listen to two excellent addresses, both of a very informative character. I wish to say that with some of the remarks made by my hon. friend the Minister of Trade and Commerce (Mr. Stevens) I am in hearty agreement. When he spoke on the question of international debts and price levels he received no greater encouragement and support from any part of

the house than he received from this corner; in fact it was rather surprising how little support he did receive from his own party when he dealt with those two very important questions which so vitally affect our everyday lives.

There was another part of his speech on which I wish to commend him and with which I very heartily agree. I refer to that part of his address in which he dealt with the assistance given by the federal government to the provinces during these difficult times. I think one of the unfortunate parts of the address this afternoon by the hon. member for Shelburne-Yarmouth (Mr. Ralston) was when he inferred that it was wrong for the federal government to give financial backing to the provincial governments. I do not know what the provincial governments would have done during the past six or twelve months if they had not been assisted by the federal treasury. The hon. member for Shelburne-Yarmouth said that one of the reasons why the assistance might have been withheld was that constitutional difficulties might ensue. I wish to make just one observation in that regard. When people are hungry, when they are starving, all these constitutional technicalities are of very little consequence, because constitutional technicalities will not feed anyone. In this instance the federal treasury was the only source from which the provinces could obtain assistance, and I think that the federal government was fully justified in giving that assistance to the provincial authorities. If there is one thing for which I would commend the government, one of the few points on which I do agree with hon. gentlemen opposite, it is in regard to the assistance they have given the provinces in these difficult times of stress and strain through which they are passing.

Mr. RALSTON: The hon. gentleman will read in Hansard just what I did say, but I can assure him that I did not say what he attributes to me.

Mr. HEAPS: I am very sorry if I have misrepresented the hon. gentleman's point of view, but that was the impression he left on my mind when he spoke this afternoon, for I remember his having dealt with the constitutional difficulties that might arise in consequence of the assistance having been given by the federal government for purely provincial purposes.

Mr. RALSTON: I pointed out the desirability of a financial rearrangement with the provinces so that that situation would not arise.

[Mr. Heaps.]

Mr. HEAPS: It is difficult for me to interpret my hon. friend's point of view, but I will say this, that when the provinces were not in a position to obtain funds on their own account there was only one source from which they could get assistance to carry them through and that was the federal treasury. However, I leave the point there.

Let me now refer again to some of the remarks of the Minister of Trade and Commerce. He spoke of the tremendous dead weight of the national and international debt and showed how that would have to be adjusted before we could approach more prosperous times. To a certain extent I am in sympathy with that view; yet, when I ask myself what hon. gentlemen opposite have done in that regard, I find that they have done exactly the opposite of what we have been told they ought to do. In fact, they have not only increased the debt by enormous sums, but they have done something for which I cannot forgive them. When they wanted money recently they offered the highest rate of interest ever known in the history of this dominion, and that rate of interest on federal bonds reflected itself in all other classes of bonds in Canada. We find, therefore, that this action of the government in offering 5¼ per cent interest on gilt edged securities of the federal treasury meant the adding of millions upon millions of dollars to public debts in this dominion; because the moment the federal government issued bonds at 5¼ per cent our provincial government had to pay 6 and 6½ per cent on money it wished to borrow. The securities of the city of Winnipeg are second to those of no other city in Canada; yet in Winnipeg they had to pay 6⅔ per cent before they could borrow money. In other words, they had to increase the amount of interest charges by approximately 50 per cent before the banks would lend them money.

Very commendable as have been certain aspects of the statement made by the Minister of Trade and Commerce, it seems to me that both hon. gentlemen who have spoken today have approached the budget statement in exactly the same way as a director or a financier would look upon a bank statement. But may I point out that in government there is something more than finance; there is more than that in running the affairs of a country. There are in this country ten million human beings, besides the financial interests of Canada, and when the Minister of Trade and Commerce says that we should study our social problems I would add that in my humble judgment the needs and desires and the well being of the ten million inhabitants of Can-

ada have a prior claim over the financial interests of the dominion.

I wish to offer a few words of comment on the budget statement made to this house by the Minister of Finance (Mr. Rhodes). Last year the house was treated to what was commonly called a real budget. This year no such description has been used of the budget, but the result of the first real budget we had in 1931 is that we find ourselves now with a deficit of $55,000,000; and in order to make that deficit as low as it was the government found it necessary to cut the estimates by $55,000,000. Now hon. gentlemen opposite come along requesting great increases in taxation. I am not going to blame them for making these increases; it seems to me that if they wanted to balance the budget, increases were absolutely essential. And how are they going about these increases? Of the $55,000,000 that they propose to raise, approximately two-thirds will come out of taxation of the necessaries of life by way of an increase in the sales tax or by a two per cent increase in the excise duties. I do not disapprove, in fact I approve of the action of the government in increasing the income tax. I realize that if they had to balance the budget, they have taken, under the system which now prevails in this country, the only logical course which it was possible for them to take—that of increasing the income tax. It was stated by the Minister of Finance when he introduced the budget that, with one exception, he did not intend to make changes in the tariff structure of the country. I think that there was one very important change in the tariff, however, and that was when he increased the excise duty from one to three per cent. I regard that as a very fundamental change in the whole tariff structure of the country, because an increase from one to three per cent means, on the average, roughly speaking, an increase of about ten per cent in all protective duties in Canada. In 1922, when the Liberal party were in power, they found themselves in somewhat the same position as the present government now find themselves in, and they resorted to almost the identical methods which the Conservative party are adopting to-day; that is to say, they increased the sales tax to six per cent. It is quite true that subsequently it was reduced until it reached a level of about one and a half or two per cent, but now we find the sales tax back at the figure it was about ten years ago.

If capitalism demands a balanced budget, then I say that there is practically no alternative to what has been done by the government on the present occasion. To me, however, the only other alternative is to make a complete break with the existing economic system. But in this house we find very little desire on either side to break with the system. What do we find further? We find that the government, in following out the policy of curtailment in expenditures in the attempt to balance the budget, are merely following the dictates of the financial interests of the country. I go a little further and say that parliament finds itself under the nominal control of those institutions which control the finances of this and other countries of the world. Our municipalities, our legislatures and even this parliament can hardly move without their consent. Our provincial governments find themselves more or less at the behest of the financial institutions; they are being told to balance their budgets, otherwise they will not be permitted to do any more financing.

Where does the real power lie? Does it lie inside of parliament or in the hands of a comparative few outside? We boast of our democratic institutions; perhaps we have good reason to do so, but they are being successfully challenged by those who own and control finance. We claim that we are living under a form of democracy, but I contend that we are living under a form of political democracy which exists side by side with a financial autocracy; in other words, we are half a democracy and half an autocracy. These two forms of government cannot continue to go on indefinitely side by side; sooner or later one must give way to the other. I think it was Lincoln who said during the civil war in the United States that that country could not exist half free and half enslaved. We cannot exist in this country one half a democracy and one half a dictatorship; the one must ultimately give way to the other. I am satisfied that when democracy comes to grips with financial autocracy there can be only one ultimate end to the struggle.

I come now to some of the desires expressed by the Minister of Trade and Commerce (Mr. Stevens) and I shall deal with some aspects of the social question. We have been told that we are suffering from certain financial difficulties. At various times during the present session hon. members have discussed the fact that in this country we have too much coal. Other hon. members have told us that we have too much fish. We have been told we have too much wheat, too much meat, a surplus of railway equipment and too many railways. On another occasion we were told there were too many doctors; we have been

told there are too many lawyers, and I suppose some day we will be told there are too many politicians. To-day we have a famine of too much of everything. On other occasions we have been told we have too much money—our bank deposits to-day are greater than ever in the history of the dominion. We have been told about idle capital, and finally we are told that we have too many human beings—I mean that at the present time hundreds of thousands of our fellow Canadians are out of work, unable to obtain a means of existence. It seems a strange anomaly that we should be suffering from too much of everything.

In spite of the excellent presentation offered by the Minister of Trade and Commerce, during the whole course of his remarks he uttered not one word of encouragement as to how we were to overcome the difficulties with which we are faced. In spite of the fact that we have too much of everything, he did not tell us how there was going to be a little more of that too much of everything spread amongst the great masses of the people. Industry has practically ceased to function, yet the minister did not offer one word of hope as to how the government was going to make it function a little better.

For a moment or two I should like to deal with what the government has done during the past year or two and how it has endeavoured to cope with the problems it promised to deal with when it came into power in 1930. There is not the least doubt that the government was elected to end if at all possible the economic crisis which existed in the summer of 1930. The government accepted the challenge to cure unemployment, and I give it this much credit: in its own way it has attempted to deal with the problem and if the remedies proposed have not proven effective, then all I should like is for the government to admit that such is the case.

In the special session of 1930 the government submitted three proposals to the house. The first was $20,000,000 for relief; the second was laws and regulations to prevent dumping into Canada. Does the Minister of Trade and Commerce realize that comparatively speaking there is no country in the world which has done more dumping during the last two or three years than Canada has? To-day we are probably the greatest dumpers in the world. Every bushel of wheat which goes out of this country is sent abroad at a price which might normally be termed a dumping price. When the farmer sells his wheat at fifty or sixty cents a bushel he suffers a loss of approximately twenty cents per bushel, and if other countries adopted the attitude of the present government, hardly a bushel of wheat would have left Canada during the past two years. The third proposal was a highly increased tariff. These were the panaceas offered in 1930 as a cure for the unemployment problem. After that there followed the imperial conference in London. The ministers went over in a rather bombastic way with that Canada first policy, and they came back with little more.

We come now to 1931. Less than a year ago, under the peace, order and good government regulations, the present government had a completely free hand to do almost anything it desired to deal with unemployment. There was no limit to the amount of money it could spend to cope with the situation. Again let me give credit to the government for attempting to cope with the situation; within the confines of the capitalistic structure I do not think the government could have done much more than it did during the past six or twelve months.

I come now to 1932 and I examine what the government has done to relieve unemployment. After a year and a half of these palliatives, everything seems to have changed; instead of a policy of spending money freely, the government has embarked upon a policy of strict and rigid economy. Every time the government practises economy it means that so many more people are put out of a job. After eighteen months the policy of the government has been completely reversed. It has now come forward with another three proposals. The first is to balance the budget; the second, to balance trade, and the third, to balance the dollar.

It may be very important from a government's point of view to balance a budget—I will not for one moment deny that—but it is a thousand times more essential that the hundreds of thousands of heads of families in this country should be first permitted to balance their budgets. Those who are out of work or working on short time find it impossible to balance the budget on what they have coming in every week or every two weeks. In fact, in spite of all the efforts made by the government, our unemployment problem has now become a national tragedy. It is with us in a more aggravated form than ever before, and the actions of the government in the past few months, especially since the beginning of the session, have done a great deal to aggravate the situation. From statements made in the press to-day, and on account of the policy of rigid economy which is being practised by the government, it appears that public works are to be discarded, and

further that the government are going to care for the unemployed by the creation of a vast chain of soup kitchens from the Atlantic to the Pacific. If there is one thing that I have always opposed in the house and shall continue to oppose as long as I am a member of parliament, it is the giving of a dole in that form to hundreds of thousands of our people. That is no way of dealing with the unemployment problem. It seems that the government, after having for the past eighteen months dealt with this problem as they have, have now thrown up their hands with regard to it; they say: We do not know what to do with it, but we shall do the best we can to keep the unemployed fed in some way or another while this situation is with us, and in the hope of its diminishing. As the Minister of Trade and Commerce has suggested that we should give thought to these social problems, I say again to him: What have the government to propose in regard to our unemployment problem? Hardly a constructive proposal was given in the budget, nor was one submitted by the Minister of Trade and Commerce in his speech this evening.

Let us see further how the government have dealt with the unemployment situation. First, they slashed $55,000,000 off the controllable expenditures of the Dominion. By that one act I believe they put more people out of work than actually received employment through the whole activities of the government during the past nine or ten months. Second, in order to cure unemployment they made a slash of ten per cent in the wages of civil servants, and while they did that, interest charges on our national debt increased by ten per cent. In other words, they were slashing the wages of their employees in order to be able to pay the higher interest charges to those who have lent money to the federal government. Third, as another method of dealing with unemployment, they have been responsible for the laying off of large numbers of employees throughout the whole Dominion. Will such methods lead to a solution of the problem? No; I think during the past few months our unemployment situation has become considerably aggravated by the activities of the government, and to-day they come to parliament without a single suggestion to offer as to how they are going to deal with the question.

I shall give credit to the government for this much: I am not going to blame them altogether for the economic conditions which prevail. I do not think any one government is really to blame so long as it is an upholder and defender of the economic structure as it exists at present. Depressions and periods of so-called prosperity are not really created by governments, but the governments themselves or the parties supporting them must assume responsibility for depressions when they are placed in power. Probably it is the fortune of political warfare that to-day one party happens to be in power and the other in opposition. In this country with its limited population and its boundless natural resources, that have so often been referred to in parliament, there are at this time approximately a half million people out of work. That to me is a most appalling situation. Moreover, when one considers that these men have nothing to look forward to in the immediate future, surely they have a right to expect those who sit here in parliament, the central authority within the dominion, to do something to deal fundamentally with the situation.

I should like to refer to some of the activities of the house. When parliament first met there were times when we had to adjourn because we had really nothing to do. It is a sad commentary upon our parliamentary institutions that in a time of economic crisis, of stress such as that through which we are passing, when parliament should be bending every energy towards solving the unemployment and economic problems that confront us, we should sit here with practically nothing to do. It appears further that within a few short weeks parliament will prorogue because there is nothing for it to do. We shall have had one of the shortest sessions in the history of the house, and that in spite of the fact we are confronted with probably the gravest economic crisis in our country's history.

During this session, however, we have been busy in another direction. We have committees galore working on all kinds of questions. We have a committee considering the civil service, one on the price of gasoline, another on the beet sugar industry and another on radio control. We have another committee which has met and considered certain statements made rather foolishly and extravagantly by a former deputy speaker. Then we have a committee on election funds, a railway committee, and finally, only last week the Minister of Justice (Mr. Guthrie) formed a bankruptcy committee, a rather appropriate proceeding under the conditions in which we to-day find ourselves. But although we look around and consider the hundreds of thousands of men and women out of work, and the economic questions that are facing us, there is not a committee of any kind considering either the unemployment question or the

prevailing economic conditions. What hope is the government holding out to those who at present find themselves out of work? The Minister of Trade and Commerce waxed eloquent when he was pointing out that world conditions are to an extent responsible for our internal situation. In a sense it may be quite true that to-day no nation can live entirely unto itself. But may I put this question to the minister and the house: Is it logical for one to assume that because we cannot sell our wheat and other food products to Great Britain, China, Japan, France, Germany, Roumania and other countries, if all these other countries are too poor to buy the products which we have in superabundance, is that any excuse for our people going hungry and barefooted? If our elevators are crammed with foodstuffs, and the people of China, Japan and the other countries I have mentioned are unable to purchase them, is it logical for us to assume or to say that we should deny those commodities to our own people in Canada who are producing them with the sweat of their own labour? These are facts to which hon. members might give their attention, and if a committee of the house had been set up to deal with them I think both the house and the country would have received more advantage than they have from the efforts of the committees I have just enumerated.

We are told again and again that conditions are bad in the United States. I am quite ready to admit they are bad, but poverty and chaos in the United States are no excuse for a similar condition in this country. Even though world conditions may to some extent be responsible for internal conditions in Canada, the government responsible for the affairs of the nation must accept responsibility for conditions in our midst. I resent very much being told constantly about what is happening in the United States. While I may have a great deal of respect for some activities south of the boundary line I am not one who is always anxious to go to the United States for illustrations of what we should do.

I am reminded of a statement made a few days ago by a well known English economist who told of the impressions he had received upon a trip to the United States. He said that in that country people were losing faith in institutions and in public men. I hope this government will not ask us to follow the example of a country in which conditions of that kind prevail. This afternoon at the close of the speech by the hon. member for Shelburne-Yarmouth and the peroration of the

[Mr. Heaps.]

Minister of Trade and Commerce, fine language was used and great heights of oratory attained. They were most eloquent as to what conditions should obtain, but not as to how those conditions were to be brought about. I remember some of the expressions used by each hon. member. From the Liberal side of the house we heard the statement that they desired a removal of the restrictions on commerce and a freer interchange of commodities. Mr. Speaker, anything that removes artificial barriers between nation and nation so as to allow a freer flow of commerce has, generally speaking, my approval. But we must have something more than that. Free interchange of commodities is one thing, but the great masses of the people should have freer access to the commodities which are produced. Free exchange of commerce is one thing, but it is another thing to have a fairer distribution of products. Unless we have a more equitable distribution of wealth, in my humble opinion there is no hope of solving our economic problems. Again, in my opinion the solution of our difficulties is not to be found exclusively in either raising or lowering tariff barriers. May I here interpose this remark: If those who attend the Imperial economic conference in July next believe that by a process of tariff barriers or tariff adjustments they will bring about a state of prosperity, we must expect a certain amount of disappointment. So far any efforts to bring about a state of prosperity by tariff adjustments within the empire have proved more or less disastrous to the Dominion of Canada. I refer to trade treaties made by the previous and present governments between this country and Australia and New Zealand. An illustration of what may happen is to be found in the despatches appearing in this morning's papers. One of the Australian delegates has stated that the empire will be disrupted if some satisfactory tariff adjustments are not made between its various component parts. It is my firm belief that closer relationships within the empire cannot be brought about by a process of tariffs. Trade flowed more freely in the years 1928 and 1929 than it flows to-day. In those years we had unemployment; vast numbers of men and women were seeking work. Restrictions in those years were not as high as they are to-day, and yet at that time we had exactly the same fundamental principles to deal with as we have now. We had wealth on the one hand and poverty on the other. In spite of the fact that we have somewhat changed our fiscal policy, prosperity has not returned to us.

While hon. members in this corner of the house welcomed some of the statements made by the Minister of Trade and Commerce, we must say that up to the present time the actions of the government have not given us very much encouragement; they have not held out any hope of dealing effectively with the problem of unemployment. So far their efforts to adjust the tariff have been more or less a failure, and I sincerely hope the statement made this afternoon by the minister to the effect that we should study these social questions is not addressed to hon. members in this corner of the house but to his colleagues in the cabinet. I trust he is asking them to deal with these fundamental problems.

The minister referred to the crushing burden of our national debt. May I point out that in 1914 the interest charges on that debt amounted to 8·5 per cent of the national revenue? In 1932, according to the figures submitted by the Minister of Finance, the interest on our national debt has increased to $135,000,000 per year—in other words, from 8·5 per cent to 35·6 per cent of the national revenue. It is this crushing burden which is preventing our return to more normal times. One way to bring about the conditions the minister desires is to tackle that problem and see that our interest charges are restored to the position of 1914.

The ACTING SPEAKER: (Mr. Cowan, Port Arthur): The hon. member's time has elapsed.

Mr. J. R. MacNICOL (Toronto Northwest): Mr. Speaker, in this debate I propose to base my remarks on the fact that in its budget for 1932 the government has maintained intact the tariff enactments of the budgets of the short session of 1930 and the regular session of 1931. During the recess, to ascertain the extent of stimulation in industry brought about as a result of tariff enactments, I made a survey of employment in industry in many Canadian centres and in several of the neighbouring states, in the latter to derive firsthand information concerning the effects if any, of the Bennett tariff on American industry. It is my purpose to submit data showing that in spite of worldwide economic dislocation, employment in Canada, although below normal, is better than it would have been had it not been for the tariff enactments of this government. Four of the major objectives sought to be attained by budget legislation with respect to the stimulation of employment in industry are, first, more jobs for Canadian workers; second, greater purchasing power; third, contentment; fourth, increasing to the greatest possible extent towards 100 per cent the Canadian content, both material and labour, in goods manufactured in Canadian factories by Canadians for Canadians.

In spite of the present worldwide economic dislocation the government has achieved something worth while towards the realization of each of these objectives. The Toronto Industrial Commission has issued a circular stating that since August, 1930, some sixty-seven new industries, mostly small, have been started in the Toronto district, and Industrial Canada and the Bureau of Statistics give the names of fifty-two other companies, mostly small but a few are large, that have been started throughout the country. I know most of these industries are small, and consequently the pay-roll is not heavy; on the other hand the increased employment in the aggregate is considerable. The large majority of these new industries have come from the United States; a few of the largest are of British origin. But, large or small, the figures pertaining to these new organizations are in my humble opinion worth consideration, and I have carefully tabulated them. These new industries occupy a floor space of 4,095,000 square feet; the capital invested in them amounts to $34,125,000; the Canadian content of material and labour—mostly labour—is sixty-seven per cent; the number of employees, 8,950. Anyone acquainted with industry knows that for every man or woman engaged in any manufacturing plant another employee is engaged outside providing the raw material and the one thousand and one articles that enter that industry through the receiving office. So in addition to the 8,950 men engaged in these 119 new factory branches, it may be taken for granted that another 8,950 workers are engaged outside. But as many of these new plants are branches of United States concerns, I will place the additional number engaged outside at 50 per cent or 4,475, so as to be well within the mark. I submit that that is something to be proud of.

In addition to that a further considerable amount of employment has been provided existing Canadian factories producing goods for the Canadian customers of United States companies, goods that now cannot be shipped in here owing to the tariff regulations made by this government. Thereby employment is provided in Canada for Canadian workmen that otherwise would be provided for the workmen of the United States. Let me give a number of instances of individual plants. The John T. Hepburn Company, Toronto, has invested many thousands of dollars in

equipment for the manufacture of goods hitherto made by American firms. The president told me that twenty-five per cent of their men are now engaged in making goods for Canadians that were formerly made in foreign plants by foreign workmen. The Gray Forgings and Tool Company is another concern that has invested many thousands of dollars in machinery to turn out a complete line of tools for motor cars, and to-day they are making a set of forged wrenches that hitherto were not made in this country, but were imported from Massachusetts and Connecticut. Those two plants are located in the riding which I have the honour to represent. Then I might cite the Canadian General Electric Company—a very large concern—the Gold Medal Furniture Company, the Easy Washing Machine Company, the Canadian National Carbon Company, the Patons & Baldwin Textile Company, the Hamilton Gear and Machine Company; all these companies are manufacturing goods not hitherto made in Canada, and which would still continue to be made in foreign plants were it not for the tariff regulations enacted by the government in 1930 and 1931. The Corman Engineering Company, Toronto, one of several small companies, make a long line of repair parts for foreign machines, parts that formerly we had to import. This company during the last nine months have had twenty-two machinists working full time, and on three days of the week they run two shifts. In addition to repair parts they make a variety of new equipment not hitherto manufactured in Canada, and which but for the present tariff regulations would now be imported to the disadvantage of Canadian labour. The management of the company told me that fifty per cent of their employees are now engaged in making equipment that otherwise would be made across the line. In addition there are twenty-two men outside the company engaged in making the brass and iron castings and the long line of equipment used by the company.

In south Toronto there is a large boiler and engine works, and in east Toronto there is a large link belt factory; I refer to only these two of the many in Toronto which I could mention. Both these companies are making asphalt plants. I will not discuss that item further at the moment because I will come back to it later in connection with another firm. The manager of the boiler and engine factory told me recently that sixty per cent of the men engaged in that industry are making equipment which, but for the tariff enacted by this government, would be made by foreign workmen in foreign plants and shipped to this country.

Now let us go outside Toronto, to one or two other industrial centres. In the city of Brantford there is another large boiler and engine works, which also makes large asphalt plants for a company in Milwaukee. These plants are very large and are worth approximately $30,000 each, while the labour content built into each one is the equivalent of three thousand man-days. I am told that five of these machines have been made in Canada already. In other words, as a result of the tariff enacted by this government, in those five machines alone fifteen thousand man-days have been gained to labour in Canada.

In Dundas I visited a very large plant of which every Canadian might well be proud, and just here I might say that in discussing these matters with the heads of these different companies the talk was about employment and entirely non-political; I did not want politics to be dragged into my discussions with those gentlemen. The plant to which I refer is one of the largest, if not the largest, of its kind on the north half of this continent, and there I found Canadian workmen making four lines of large machinery for mines, oil wells and so on. To give hon. members some conception of the size of one of those machines, the day I visited the plant the machinists of the company were lathing a forging made in Welland, Ontario, the largest ever made in Canada. It was a shaft for a hoist, and the finished article weighed seventeen tons. Fancy the size of the completed hoist for which the shaft was made; I may tell the house that it weighs 135 tons and will lift 12,000 pounds from the bottom of a mine 4,000 feet deep. That equipment is a credit to Canadian management, Canadian workmen and Canadian industry, and it demonstrates what Canadian industry can do when it is given a chance. Those four lines of equipment are giving employment to many men who otherwise would not be employed; thousands of man-days enter into the construction of each machine.

Now for a short time I will pass from individual factories to groups of factories, and I will commence with the washing machine industry. The tariff enacted in the spring of 1930 by the previous government reduced the duty on washing machine parts to 10 per cent, and made the whole industry in Canada merely an assembling proposition. The present government raised the duty to 35 per cent and the result has been romantic, if one may use that word in speaking of business. What has been the result? Thirty thousand tubs, the clothes part of the washing machine, either of nickel

plated copper or enamelled steel, which formerly came from Warren, Ohio, are now made in London, Ontario; twenty thousand clothes wringers formerly made in Erie, Pennsylvania, and Woonsocket, Rhode Island, are now made by Canadians at St. Mary's, at Hamilton, at Toronto, at Farnham and other Canadian centres. Thirty thousand gear sets and twenty or thirty odd lines that enter into the construction of washing machines are now made in Canadian plants by Canadians, providing 250 new jobs, where formerly they were made in foreign lands by foreign workmen. I say, Mr. Speaker, that is something of which any government can be proud.

Take the printing industry. I have here a list of forty-seven United States magazines now being printed in Canada, and what has been the result? The printing plants of Canada to-day use from 175 to 200 tons of Canadian paper monthly to print these magazines, and that paper is worth from $12,000 to $15,000 a month. The postage and express in connection with the mailing of these magazines is estimated at another $5,000 a month. The ink used is worth $1,700 a month, and better still 175 new jobs were provided for Canadians in the printing industry, and those 175 Canadians receive $25,000 a month. The publishers tell me that the whole new business adds to the national wealth of Canada about $1,000,000 a year. I say that is something worth while, and something of which we should be proud.

Now take the electrical line, covering a great number of plants. During the last two years electrical plants in Canada have invested $2,000,000 in order to equip themselves for the manufacture of a long line of material formerly imported. In Canada we now make motors ranging in size from one as big as a ten cent piece, such as operates yonder clock, to one of 54,000 kilowatts or 75,000 horse power. Large sums of money have been invested in equipment necessary to manufacture several new series of motors such as used in house appliances, washing machines, vacuum cleaners and so on, hitherto made in the United states. A complete line of switches is now made here, ranging in size from the small wall push button to the great circuit breakers that automatically cut out a current of 75,000 horse power, or any one of half a dozen generators of 75,000 horse power. Canadian emplayers and Canadian workmen have demonstrated that given the chance they can turn out finished articles to equal anything made anywhere in the world. To-day the electrical business in Montreal, in Toronto, in Peterborough, in Hamilton, in Brantford, in St. Catharines and in other places is employing 750 men who, if it were not for the tariff regulations enacted by this government since coming into office, would be unemployed.

Now I pass to the steel industry, the steel manufacturers and the steel workers, because you cannot separate one from the other. What is good for the industry is good for the employee, and what is good for the employee is good for the industry. The steel industry has benefited very materially by the tariff enactments of this government. In Hamilton a new school of commerce building is being erected. When I saw it, it was half up, and in the framework of that building 970 tons of steel are being used. Thanks to the patriotic fervour—for in my humble opinion it is nothing less—of the Hamilton board of education, the architects, the engineers, the steel manufacturers and steel fabricators, every ton of that 970 tons being used in the High School of Commerce is being made in Canada by Canadians, and had it not been for the tariff enactments of this government, perhaps not a ton of Canadian steel would have been used therein. A new hydro electric building is being erected in Toronto, and 1,000 tons of steel to be used in that building are to be made in Canada by Canadians. A viaduct is being erected in the city of Sarnia, and in that construction there will be 300 tons of steel made in Canada by Canadians. These three jobs have given the Canadian steelworkers 25,000 extra man days which they might not have had had it not been for the tariff enactments of this government.

The making of steel is one line which adds to the national wealth and which benefits labour to a very marked degree, because about eighty per cent of a ton of steel represents labour. We are now making steel ingots in Canada, from which steel plate is made, representing from eighty to ninety-five per cent Canadian content. Plates, from a quarter of an inch thick and up to 78 inches wide, are made from ingots of ninety-five per cent Canadian content. In other words, for every hundred dollars' worth of these steel ingots used in the making of plates ninety-five dollars are added to the national wealth, because the money which is paid out is circulated in and remains in Canada. On the other hand, when we send fifty dollars out of Canada to bring in steel plate, nothing is added to the national wealth. I am quite aware, of course, that in addition to that fifty dollars sent out of Canada to bring steel in, there is an additional fifty dollars spent in Canada to finish the product; but that fifty dollars spent on

labour in Canada merely offsets the fifty dollars sent out, so that in reality nothing is added to the national wealth.

There are a number of steel buildings projected at the present time, and my sincere hope is that public bodies having control of these projects, whether church boards or school boards or other boards, and architects and engineers, observing the great benefit that accrues to the country from the use of steel made by Canadians, will specify flat that the steel to be used in the structures under their control shall be if at all possible made in Canada. In Canada riveted steel girders and uprights are made out of plate and channel iron and angle iron. I am quite aware that in the United States they use H-beams and I-beams, but they did not begin the use of these beams there until they had passed the one hundred million mark in population. We Canadians have to look out for ourselves. There are only ten millions of us, and, in my humble opinion, sound tariff legislation that encourages the manufacture of steel plate, angles and girders in Canada, goes a long way towards increasing the national wealth.

My time is going, and forty minutes is hardly long enough to tell even one-fourth of the achievements of this government towards providing employment since it came into office. I have surveyed the textile and leather industries, both of which are running from 90 to 100 per cent, but I do not propose to discuss either of them except to say this in regard to the textile industry. There are at present engaged in Canada in the textile factories 109,575 operators, and the authorities in the textile industry inform me that were it not for the tariff legislation of this government in connection with textiles, one-third less would be employed therein. In other words, this government, as the result of tariff enactments in favour of Canadian employment, in the textile industry, deserves direct credit in that one industry alone for the present employment of over 36,000 operators. Will anyone say that the employment of 36,000 operators is nothing? I do not for a moment try to argue that business is as good as we should like to have it; it is not. I do not think that conditions are as good as we would like, but they are a lot better than they would have been had it not been for the tariff enactments of this government.

The March issue of Industrial Canada gives a list of some 628 new lines of material manufactured in this country since this government came into power. I am well aware that a great number of these are very small items, but added together they make an aggregate which is commendable. The government deserves credit for encouraging the manufacture of new lines, and in the total employment in this country, according to our own Bureau of Statistics, there are about 900,000 or more engaged in industry at the present time either wholly or part time. I thought I would make a survey to ascertain the value of part time employment, and I obtained the figures from 125 cross-Canada firms all nationally known. Of the 125, sixty-nine replied to my questionnaire, and of that 69, nineteen had no part time employees. I gave them two dates, asking for part time employment on March 1, 1931, and part time employment on May 15, 1931, because I wanted to make a comparison with a similar survey made in Washington, to which I shall allude in a moment. In Canada on March 1, 1931, the part time employment in the balance of these Canadian industries was 30.18 per cent and on May 15 of the same year it was 30.54—very little change. The part time results in the United States were by no means equal to that. In Washington a circular letter was sent out to 750 cross-country United States firms of which 250 replied, and the part time employment in the United States on March 1, 1931, was 33.5 and on May 15, 1931, 40 per cent. That clearly shows the superiority of Canada and bears out the statement we so often read and hear that conditions are better in this country.

Someone asked some days ago about the number of plants in Canada that had closed since this government came into power. The July, 1931, issue of Industrial Canada contains the advertisements of 340 cross-Canada concerns, and I am very happy to say that as far as I can ascertain everyone of those firms is to-day doing business in Canada. That speaks volumes for the integrity and business ability of Canadian managers and speaks well for the workmen in the plants.

During the course of this debate someone has suggested that nothing has been offered for the improvement of conditions in Canada. I suggest to the government that practical and technical cost accountants, men conversant with industry be delegated to survey the imports coming into this country. After they have compiled their statistics and presented them to the government, it could then determine what could be economically manufactured in this country with a view to increasing employment and at the same time preventing the exploitation of the consumer. It is not a difficult matter for any government to prevent the exploitation of the consumer. If industry were treated scientifically

and considered with a view to the natural resources of a district, its topography and geology, its climatic conditions, its proximity to water or other transportation facilities for the handling of raw and finished products, and its proximity to markets, power and labour supply, I am firmly convinced that millions of dollars could be invested in this country in the erection of new plants to provide increased employment.

It is the duty of the government in power to create employment if possible. The investment of capital, the extension of existing industries and the building up of new industries creates more and more jobs. Considering the economic dislocation and the distress which exists in the world to-day, the government of this country has done a great deal to provide employment for Canadians. I know of no better way to provide employment than by the erection and operation of factories. Having been associated so long with the business life of this country, I know full well that men working in industry and receiving fair wages are contented and happy. There is no other way to encourage the erection of factories and the investment of capital than by adequate tariff regulations. I take this opportunity to congratulate the government for maintaining in the budget of 1932 the tariff regulations adopted in the budgets of 1930 and 1931 which resulted in so many additional man-days' employment.

During the years 1926, 1927, 1928 and 1929 this country imported $40,000,000 worth of steel plate and structural steel—I do not refer to rolled steel—and had one-half of this been manufactured in Canada by Canadian steel makers it would have given them an additional 3,600,000 man-days' employment. I suggest to the government: maintain the fiscal policy adopted in 1930-31 and proceed along similar lines with future budgets. The result will be most beneficial to employment in this country.

Hon. W. R. MOTHERWELL (Melville): Mr. Speaker, if it is agreeable, I ask that it be called eleven o'clock.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Tuesday, April 12, 1932

The house met at three o'clock.

PRIVILEGE—MR. POULIOT

Mr. JEAN FRANCOIS POULIOT (Témiscouata): Mr. Speaker, may I draw the attention of this house to what I conceive to be a breach of its privileges and refer for a moment to an article which appeared on Wednesday last, April 6, in L'Illustration, a Conservative, French Montreal daily.

In order to be fair to the minister concerned, I notified him by letter on Thursday, April 7, that unless a satisfactory retraction was published on Saturday last I would bring it up on the following Monday—yesterday—as a matter of privilege. As my letter is still unanswered, as no retraction appeared on Saturday, yesterday, nor to-day, and as that paper is mailed to my colleagues, English-speaking as well as French-speaking, I will read a translation in order that my correction may be understood by all. The first four paragraphs are a preamble to the lies which abound in the latter; therefore I should deal with it not only paragraph after paragraph, but line after line, and almost word after word. This is what was printed after I had said "all was over":

> Mr. Pouliot and Slander
>
> Shall we believe that Pouliot, the Liberal member for Temiscouata, has at last realized that he often goes too far in his daily outbursts in the house.
>
> During the sitting of yesterday, when Mr. Gordon, Minister of Labour, was submitting his estimates, Mr. Pouliot attacked him in the most injurious way.
>
> Mr. Pouliot accused the minister of lack of tact, of being an ignoramus, of not answering intelligently to question, etc.
>
> But as soon as Mr. Pouliot resumed his seat he realized that he had gone too far and that he had behaved rudely.

Shortly afterwards he invited the Hon. Mr. Gordon to his office, asked for the stenographic copy of Hansard and made all corrections demanded by the minister.

The facts are as follows: The minister was gracious enough to come to my office without receiving any invitation from me. He did not demand any correction whatsoever; he simply requested me to strike two lines off Hansard, and I did not hesitate to comply with his request. What I said was not ruled out of order, but having agreed to strike it off I will not repeat it. The article continues:

> Mr. Pouliot went afterwards to the press gallery beseeching the correspondents of the papers to soften his utterances in order that they should be decent, at least in the press.

I have been to the press gallery, true; but I have not besought any one to soften my utterances; I thought it fair to notify the members of the press gallery that I had agreed with the minister's request to strike those two lines off Hansard. That was the only thing I told them about it. The article concludes:

> One cannot crawl more cowardly after having played the braggart.

It is to be hoped that in the future Mr. Pouliot will not be obliged to apologize so pitifully when he speaks in the House of Commons.

I did not crawl because I never put myself in a position to crawl, and I did not apologize because I had no reason to apologize.

This is the second time that the same individual has published a slanderous libel against me; the first one was a circular sent six years ago to the Tory organization in my county. As it was not distributed, I did not pay any attention to it. This time I have settled the matter with him by telling him personally what I think of him. Should he offend a third time, I would not say that there would be murder because that would not be parliamentary, but there will surely be a K.O. that will be O.K. In accordance with Roosevelt's advice, we shall go to it with a soft voice and a big stick.

BANKRUPTCY ACT AMENDMENT

FIRST REPORT OF SPECIAL COMMITTEE

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, the special committee appointed to consider Bill No. 41, to amend the Bankruptcy Act, have the honour to present the following as their first report:

Your committee recommend that they be given leave to print from day to day as required the minutes of proceedings and evidence taken, and also such papers and documents as may be directed by the committee to be printed for the use of the committee and members of the house; and that standing order 64 be suspended in relation thereto.

Your committee also recommend that they be given leave to sit while the house is in session.

Mr. HACKETT moved that the report be concurred in.

Motion agreed to.

RESIGNATION OF HON. GEORGE B. JONES

Mr. SPEAKER: I have the honour to inform the house that I have received the resignation of Hon. George B. Jones, member for the electoral district of Royal.

This is accompanied by the following letter:

Ottawa, April 12, 1932.

Dear Sir:

I am the principal partner in the firm of Jones Brothers, carrying on a general store business at Apohaqui, New Brunswick. The store is not operated by me personally.

For some time past, the Indian medical director has been in the habit of giving to needy Indians residing near Apohaqui orders for merchandise which have been filled by the firm of Jones Brothers.

Yesterday afternoon, I learned, for the first time, that in the House of Commons Act there is a provision against goods, wares, and merchandise being sold to any department of the public service by an unincorporated firm of which a member of parliament is the proprietor, in whole or part, and that if goods are sold by such a firm, the interested member of parliament thereby vacates his seat.

I therefore find myself in a position where I have vacated my seat in parliament. I enclose herewith my resignation as member of the House of Commons of Canada for the electoral district of Royal in the province of New Brunswick.

I need hardly say how deeply I regret that my lack of knowledge of the provisions of the law relating to the House of Commons has placed me in the unfortunate position where I am compelled to resign my seat in parliament.

I have the honour to be, sir,

Your obedient servant,

George B. Jones.

His Honour,
The Hon. George Black, K.C., M.P.,
Speaker,
House of Commons,
Ottawa.

UNEMPLOYMENT AND FARM RELIEF

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, I desire to lay upon the table of the house orders in council passed pursuant to the Unemployment and Farm Relief Continuance Act, numbers 789, 793, 794, 795, 796, 810, 811 and 812, all relating to the payments of money under the statute.

RAILWAY ACT AMENDMENT

Mr. THOMAS REID (New Westminster) moved for leave to introduce Bill No. 44, to amend the Railway Act.

Mr. GUTHRIE: Explain.

Mr. REID: Mr. Speaker, the first two clauses of the proposed bill deal with the scope or functions of the Board of Railway Commissioners and are recommendations made in the report of the royal commission on maritime claims, commonly called the Duncan report of 1926.

In numerous appeals which have been made to the Board of Railway Commissioners for a reduction of freight rates, they have been met by argument on behalf of the railway companies, that due to physical and other conditions it was very necessary for the railway companies to have tariffs or rates greater in some sections than in other sections. The Board of Railway Commissioners have, I believe, made it clear that there is no authority in the act to allow them to render decisions on broader lines such as to develop business. Section 320 of the Railway Act provides:

In deciding whether a lower toll, or difference in treatment, does or does not amount to an undue preference or an unjust discrim-

ination, the board may consider whether such lower toll, or difference in treatment, is necessary for the purpose of securing, in the interests of the public, the traffic in respect of which it is made, and whether such object cannot be attained without unduly reducing the higher tolls.

I have suggested the following amendment to section 320, subsection 1:

In deciding whether a lower toll, or difference in treatment, does or does not amount to an undue preference or an unjust discrimination, the board may consider whether such lower toll, or difference in treatment, is necessary for the purpose of securing in the national interest, both producing and consuming, the traffic in respect of which it is made, and whether such object can be obtained without unduly reducing the higher tolls.

You will note, Mr. Speaker, that the change suggested is the deletion of the words "in the interest of the public" and the substitution of the words "national interest, both producing and consuming." My argument can be better summed up by reading from the report of the Duncan commission, at page 24:

In addition, the cases which the maritime provinces have already submitted to the railway commission also raise the question of handicaps arising from the geographical position of their natural products, and their distance generally from central markets. If we were satisfied that under their present power the railway commission could adequately deal, on appeal, with the broader aspect of the maritime cases before them, we would make no further comment. Previous judgments of the railway board, however, lead us to fear that they will not feel competent to deal with such broad considerations as are still involved in these maritime claims.

Then the report cites three cases, of which the first is the application of the district board of trade of Coalhurst. In their judgment in that case the board said:

The board under the Railway Act has no profit and loss responsibility, and its intervention in the matter of rates must, as has been indicated, be concerned with matters falling within the categories of reasonableness and unjust discrimination, and not with a policy of the development of industries through rate adjustments.

The second case referred to is that of the Imperial Rice Milling Company vs. the Canadian Pacific Railway Company, in which the board say:

The board has no power to regulate tolls, for the purpose of equalizing cost of production, or geographical, or climatic, or economic conditions.

The third case is that of the British Columbia News Company vs. Express Traffic Association, in which the board say:

It is not the board's function, as delegated by parliament, to make rates to develop business, but to deal with the reasonableness of rates, either on complaint or of its own motion. . . . As it has not been established that the rates as charged are unreasonable the board is not justified in ordering the installation of the experimental rates asked for.

The Duncan report proceeds:

The conclusion to be drawn from these extracts seems to us to be that the railway commission does not feel itself empowered to pass under its review, when appeals are made to it, the same wide range of business considerations which railway companies themselves can take into account in forming a judgment as to the extent to which they should develop trade and business.

I will pass over some of the comments I had intended to make, in order to condense my argument. The Duncan report further states:

At present the work of the railway commission is circumscribed within the two considerations, viz:—

(a) Reasonable compensation to the carrying company, and

(b) No unfair preference or unjust discrimination as between traders.

Section 320 of the Railway Act seems to give the wider powers that we have in mind to the railway commission, so far as the question of undue preference or unjust discrimination may be involved.

Mr. SPEAKER: Surely it is not necessary for the hon. member to read that whole report in explaining his bill. Usually these explanations are very brief.

Mr. REID: I feel it is necessary to give this finding of the Duncan commission in support of the proposals I have included in the bill.

Mr. SPEAKER: I would ask the hon. member to shorten his remarks as much as possible. I did not understand that the introduction of the bill was a controversial matter.

Mr. REID: My argument will not take very long, Mr. Speaker. I quote again from the Duncan report:

. . . we feel that, if the intention was to have larger national interests in mind, the section should be made clearer, and instead of the words "in the interests of the public" (which might be interpreted as in the interests of the "consuming" public) the words should clearly state that it is national interests (both "producing" and "consuming") that are in mind. If this was not the original intention of the section, we suggest it is the intention which should now be imported into it. We feel further that a similar extension of authority should be imparted to the railway board in regard to the question of reasonable compensation. It would then be competent for the railway board to make a survey of just the very character that the president of the Canadian National Railways testified as being part of his function (as the business head of a railway); and if from public policy they felt that an experimental rate should be conceded,

they should be free to constitute the rate, even although it might not, at the time, or of itself, give reasonable compensation to the railway company.

That has to do with the first and second changes proposed in the bill. The third and last change proposed is in regard to the rates on grain and flour moving west. It will be remembered, Mr. Speaker, that in 1925 a bill was introduced to amend the Railway Act of 1919, and that bill included amendments touching the Crowsnest pass agreement. It is hardly necessary for me to recite the history of that agreement, which has often and ably been presented in this house by many hon. members. From what I can gather, however, the reason given in 1925 for introducing further legislation in connection with the Crowsnest pass agreement was that a supreme court decision had been rendered confirming the stand, taken by the Canadian Pacific Railway, that when the agreement was first entered into in 1897 the territory covered included only those points that were in existence at the time the agreement was made. This judgment brought about a somewhat chaotic state of affairs as far as freight rates were concerned, because of the fact that adjacent towns were obliged to pay the higher regular rates.

Some hon. MEMBERS: Carried.

Mr. REID: I think it is necessary to give this explanation, Mr. Speaker, so that the house may have a clear conception of the purposes of the bill. At that time it was argued that three courses were open to the government in regard to the Crowsnest agreement. It could have been left as it was, in accordance with the judgment of the supreme court; it could have been entirely done away with, or the third course, that followed by the government, could have been and was adopted. It is not necessary, Mr. Speaker, to suggest what might have been done; the fact remains that the Crowsnest pass agreement was altered and changed. By that change the prairie provinces gained something—though they lost something as well—in having the Crowsnest pass rates on grain and flour fixed to all points east, while it was also contended that the railways gained something by the removal of the Crowsnest rates on certain commodities.

Mr. SPEAKER: Cannot the hon. member continue his remarks on the second reading of the bill? These motions are not usually debated at such length.

Mr. REID: Some hon. member asked for an explanation of the bill. The change suggested is to give the same rates by law to British Columbia as those given to the east.

Motion agreed to and bill read the first time.

HOUSE OF COMMONS

PROCEDURE IN NOTIFICATION OF VACANCY IN REPRESENTATION

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, yesterday in discussing the vacancy which exists in the representation of the constituency of Maisonneuve a question was raised as to the proper procedure in the matter of notifying the Speaker of any such vacancy. The Prime Minister took the view that it was an obligation on the party to which the member had belonged to notify the Speaker that a vacancy existed. I stated that I did not hold that view at all, that I thought it was the duty of the government to see that vacancies were filled and to see that the Speaker was notified accordingly. The Prime Minister then said:

> . . . I challenge the right hon. gentleman to name any case in which notice has not been given by the opposition with respect to vacancies existing in constituencies formerly represented by members of their party. That always has been done; it has become a sort of custom.

I replied, speaking at the time without reference to the Journals of the House:

> In answer to that challenge I may say that I remember many occasions during the time I was Prime Minister, having vacancies in constituencies brought to our attention, and where we took action as a government without waiting for the opposition to give the notification.

I have since looked up the Journals of the House and by a hasty glance I have come across the following, which are among the number of cases where the Liberal government of the day notified His Honour the Speaker with regard to vacancies which had arisen in constituencies which were represented in this house by Conservative members. From the Votes and Proceedings of January 31, 1923, it will be found that the notification with respect to the death of the Hon. John A. Stewart, a member of the Conservative party for the constituency of Lanark, was made to His Honour the Speaker by the Hon. George P. Graham and the Hon. D. D. McKenzie, both members of the Liberal administration of the day. In the Votes and Proceedings of February 5, 1925, it will be observed that the notification of the vacancy occasioned by the death of Mr. John A. MacKelvie, Conservative member for the constituency of

Yale, was made to His Honour the Speaker by the Hon. Ernest Lapointe and the Hon. James Murdock, both members of the Liberal administration of the day. In the Votes and Proceedings of January 26, 1928, it will be seen that the notification of the vacancy occasioned by the death of the Hon. James K. Flemming, Conservative member for the constituency of Victoria-Carleton, was made to His Honour the Speaker by the Hon. P. J. Veniot and the Hon. Fernand Rinfret, both members of the Liberal government of the day. In the Votes and Proceedings of June 5, 1929, it will be seen that the notification of the vacancy created by the death of Dr. R. F. Preston, Conservative member for the constituency of Lanark, was made to His Honour the Speaker by the Hon. J. C. Elliott and the Hon. W. D. Euler, both members of the Liberal administration of the day; and in the Votes and Proceedings of the same day there is record of the vacancy occasioned by the death of the Hon. Dr. J. W. Edwards, Conservative member for the constituency of Frontenac-Addington, and the record shows that His Honour the Speaker was notified of the vacancy by the Hon. J. C. Elliott and the Hon. W. D. Euler, both members of the Liberal administration of the day.

A little earlier, in the course of his remarks, the Prime Minister said that in the case of Athabaska the notice required by law had been given by two members of parliament. Undoubtedly, my right hon. friend was aware of who the members of parliament were who had given notice in regard to the constituency of Athabaska.

I have in my hand the Votes and Proceedings of Thursday, February 4, 1932, and I find the following communication there recorded:

Electoral District of Athabaska

Dominion of Canada }
To wit } House of Commons.

To the Hon. the Speaker of the
House of Commons:

We, the undersigned, hereby give notice that a vacancy hath occurred in the representation in the House of Commons, for the electoral district of Athabaska, in the province of Alberta, consequent upon the death of the sitting member therefor, John Francis Buckley, Esquire.

Given under our hands and seals, at the city of Ottawa, this 21st day of January, 1932.

George H. Perley (L.S.),
Member for the electoral district of Argenteuil.

R. Weir (L.S.),
Member for the electoral district of Melfort.

Both hon. gentlemen who signed that notification are members of the Conservative administration of which the Prime Minister is head. I find, also, looking over the records, that not only was notification sent to His Honour the Speaker by members of the administration with regard to that particular vacancy, but that notification of all vacancies which have occurred since the present government has taken office, with the exception of the one mentioned the other day, in the constituency of Maisonneuve, has been made by members of the administration of my right hon. friend. In the electoral district of Three Rivers-St. Maurice, where a Liberal member had formerly occupied the seat, notification with respect to the vacancy appears in the Votes and Proceedings of March 12, 1931, and is as follows:

Electoral District of Three Rivers-St. Maurice

Dominion of Canada }
To wit } House of Commons.

To the Hon. the Speaker of the
House of Commons:

We, the undersigned, hereby give notice that a vacancy hath occurred in the representation in the House of Commons, for the electoral district of Three Rivers-St. Maurice, in the province of Quebec, by reason of the death of Arthur Bettez, the sitting member therefor.

Given under our hands and seals, at the city of Ottawa, this 10th day of March, 1931.

Arthur Sauvé (L.S.),
Member for the electoral district of
Laval-Two Mountains.

Maurice Dupré (L.S.),
Member for the electoral district of
Quebec West.

Again, both hon. gentlemen who signed this notification are members of the administration of which the Prime Minister is head. Also, with respect to Hamilton East, notification was made by the Hon. Hugh Guthrie and the Hon. R. J. Manion, both members of the administration.

I think, Mr. Speaker, I should again direct your attention and the attention of the house to the statement which the Prime Minister made in refutation of what I said at the time. The statement was to the effect that in all cases vacancies existing in constituencies formerly represented by members of the Liberal party had been made by members of this party. He added:

That always has been done; it has become a sort of custom.

As a matter of fact, it has never been done as a custom. The Prime Minister, in making that statement, was misleading the house, and I say that he was misleading the house deliberately.

Mr. MANION: Order.

Some hon. MEMBERS: Order.

Mr. GUTHRIE: I rise to a point of order, Mr. Speaker.

An hon. MEMBER: Is that so?

Mr. GUTHRIE: The concluding sentence uttered by my right hon. friend was distinctly against the rules and order of this house—flagrantly so. I ask that it be withdrawn.

Mr. BENNETT: He has got away with it so long he thinks he can continue.

Mr. SPEAKER: The right hon. leader of the opposition (Mr. Mackenzie King) will agree that he should not accuse the Prime Minister or any other hon. member of deliberately deceiving the house.

Mr. MACKENZIE KING: I am using language with respect to the Prime Minister which he repeatedly uses with respect to members on this side.

Some hon. MEMBERS: Withdraw.

Mr. MACKENZIE KING: If the Prime Minister did not know he ought to have known, and there is every reason to believe that he did know, because he referred to Athabaska in citing his instances.

Some hon. MEMBERS: Withdraw.

Mr. MACKENZIE KING: I say that the statement made by the Prime Minister was not a correct statement; it was not an accurate statement. He ought to have known it was not an accurate statement, and he should not have made the assertion he did unless he was prepared to prove the statement he made.

Some hon. MEMBERS: Withdraw.

Mr. SPEAKER: All that the right hon. the leader of the opposition has now said is parliamentary. I object, however, to his saying that the Prime Minister or any other member has deliberately deceived the house. The right hon. gentleman knows as well as any other hon. member does that that is not parliamentary, and I must ask him to withdraw it.

Mr. MACKENZIE KING: When the Prime Minister uses the expression—

Some hon. MEMBERS: Order.

Some hon. MEMBERS: Withdraw.

Mr. LAPOINTE: Let him speak.

Mr. SPEAKER: Even though the Prime Minister may on any occasion have used such language, it would be none the less unparliamentary, although I cannot recall his having done so. At any rate, that would not establish a precedent.

[Mr. Guthrie.]

Mr. MACKENZIE KING: When the Prime Minister uses the words, "That always has been done; it has become a sort of custom", he is speaking deliberately, and I say that in making the statement he did make, he was making a statement which is to be regarded as a deliberate statement. I say that the Prime Minister must have known or ought to have known that it was not correct at the time.

Mr. SPEAKER: The question is not whether or not it was a deliberate statement: that is perfectly parliamentary. Either the Prime Minister or any other hon. member may be mistaken in making a deliberate statement. But to say that the right hon. gentleman makes a statement deliberately to deceive the house is unparliamentary, and again I ask the right hon. the leader of the opposition to withdraw that accusation.

Some hon. MEMBERS: Withdraw.

Mr. MACKENZIE KING: Well, it was a deliberate statement calculated to mislead the house.

Some hon. MEMBERS: Withdraw.

Mr. MACKENZIE KING: If you prefer me to say that it was a deliberate statement, well and good.

Some hon. MEMBERS: Withdraw the statement.

Mr. SPEAKER: I wish the right hon. gentleman would not quibble. He must either withdraw or refuse to withdraw the language he has used. He is too good a parliamentarian not to know that the statement he has made is not parliamentary. The statement was that there was a deliberate intention to deceive the house. It is unparliamentary in character and in the interests of parliamentary procedure and good order in the house I ask that it be withdrawn.

Mr. MACKENZIE KING: I did not use the statement "to deceive the house," I said, "to mislead the house." However, if Your Honour rules that any particular words have been unparliamentary, so far as those words are concerned I am quite prepared to bow to your ruling. That is all I have to say.

STAMP COMMISSION

On the orders of the day:

Mr. A. L. BEAUBIEN (Provencher): Mr. Speaker, may I refer to a question answered yesterday by the Prime Minister (Mr. Bennett) with regard to the Stamp Commission. His answer reads:

In answer to the second question, no sum was paid for fees to any of the commissioners, but for expenses Sir Josiah Stamp received $2,120.57; Chief Justice Brown, $1,198.16; Mr. W. S. Evans, $1,101.73. Sir Josiah Stamp declined to accept any fee for his services, and, as has been intimated, a piece of plate was presented to him. Chief Justice Brown expects to be paid some small honorarium for his services, an appropriation for which will be included in the supplementary estimates, no amount having been determined.

I should like to inquire of the Prime Minister if Mr. W. S. Evans, one of the commissioners, is to receive any fees for his services, and I should like to know also when we may expect to know the amount which Mr. Sweatman is to receive for his services in connection with the commission.

Right Hon. R. B. BENNETT (Prime Minister): So far as I know, no fees are payable to Mr. Evans. I fancy the account of Mr. Sweatman will be paid at a not distant date but I am not now in position to say exactly when.

Mr. BEAUBIEN: This is the first instance I have known of a lawyer delaying to render his bill.

THE PUBLIC SERVICE

APPLICATION OF TEN PER CENT DEDUCTION TO POSTMASTERS PAID BY COMMISSION

On the orders of the day:

Mr. A. M. CARMICHAEL (Kindersley): Mr. Speaker, I have an inquiry to make of the Postmaster General (Mr. Sauve), but as he is not in his place, possibly the Prime Minister (Mr. Bennett) can give me the information I desire. If not, my question can stand as a notice to be answered to-morrow. I have received a letter from the postmaster at Plato, which is in my constituency. This man is paid on a commission basis and because of abnormal conditions the revenue of his post office has decreased over 16 per cent while his own revenue has decreased over 12 per cent. He understands that he will be subject to the ten per cent reduction in addition to the decrease in revenue. My question is: Are postmasters paid on a commission basis to be subject to the ten per cent reduction as provided in Bill 19 and, if so, will special consideration be given to those who have already received a drastic cut in their revenues?

Hon. E. N. RHODES (Minister of Finance): Unfortunately, I did not hear the first portion of the hon. member's question but I will look it up in Hansard and give him an answer to-morrow.

BEAUHARNOIS POWER PROJECT

On the orders of the day:

Hon. CHARLES STEWART (West Edmonton): Mr. Speaker, may I inquire of the Prime Minister (Mr. Bennett) when he will be prepared to make a statement on Beauharnois?

Right Hon. R. B. BENNETT (Prime Minister): Just as soon as I am possessed of sufficient information to enable me to do so. I have not the required information and there have been delays in obtaining it over which I have no control.

Mr. BOURASSA: Is there anything left?

Mr. BENNETT: I suppose the valley of humiliation is still left.

Mr. STEWART (Edmonton): We would be content with a partial statement.

Mr. BENNETT: That is just what I do not want to make.

Mr. STEWART (Edmonton): I do not understand my right hon. friend's position; of course, he can refuse to make a statement, but this is of great importance to some hon. members. I should like to have an answer to the question I asked three weeks ago as to what amount had been guaranteed for advances to the Beauharnois company.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Monday, April 11, consideration of the motion of Hon. E. N. Rhodes (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of way and means, and the proposed amendment thereto of Mr. Ralston.

Hon. W. R. MOTHERWELL (Melville): Mr. Speaker, my first word also will be one of congratulation to the Minister of Finance (Mr. Rhodes) on the very excellent and handsome manner in which he delivered his first budget to this house. Of course, this is said without prejudice to anything further I may say in connection with the substance matter thereof. I think it is all right also to extend congratulations to my colleague, the hon. member for Shelburne-Yarmouth (Mr. Ralston) for I am sure that all hon. members in this house believe he delivered a very excellent and even brilliant speech. I think he made it very difficult for the hon. gentleman who followed him to do full justice to the share

he took in the debate. The other two hon. gentlemen who spoke were too remote from where I sit to be heard distinctly, but from what I did hear, they were both quite all right from their respective viewpoints.

Before I go on with my own little story regarding the budget, I should like to refer to two or three outstanding points raised by the hon. Minister of Trade and Commerce (Mr. Stevens). He has fallen into the error into which so many others have fallen of assuming that at one time the policy of the Liberal party had been in favour of free trade.

Some hon. MEMBERS: Oh, oh.

Mr. MOTHERWELL: Just a minute; hon. members will not have much at which to laugh in a little while.

The hon. minister took the ground that the hon. member for Yarmouth was very ready to theorize about free trade but he had never risked his reputation or risked a political fight on that issue. I did not look up Hansard to get the exact words of the hon. minister but they were to that effect. Is his memory so short that he has forgotten the reciprocity fight, the biggest measure of free trade ever offered by any party or any government since confederation? That measure embodied free trade with the United States in all natural products. We risked our political lives on that issue, and we went down to defeat.

The hon. minister does not need to go back that far for another such example. What about the elections of 1930? What about the Dunning budget and the measure of free trade which was embodied therein? There were some fifty items which were non-active but the Tory party took the fullest opportunity to belittle the whole of it. I heard the Minister of Trade and Commerce speak over the radio during the last election and I never heard anything like it in all my life for gross exaggeration. Take those fifty non-active items out, add fifty more to them and you still have four hundred items which were either free or nearly free from Great Britain. Yet we are challenged that we never risked our political lives for the principle of free trade. While we have never been for absolute free trade as a collective policy of the Liberal party, we have always been for freer trade. That has been indicated not only by our policies but by our practices ever since 1896.

The hon. minister did not seem to like the manner in which the hon. member for Yarmouth criticized the budget. I liked it all right, so that would seem to be just a matter of opinion. The minister said that the criticism was small and caustic and not at all constructive. I think the hon. member for Shelburne-Yarmouth made a very constructive comment when he referred to the fact that an emergency tariff had been brought down by the British government only six weeks ago, in which a decided preference of 10 per cent was given to dominion goods. Canada in this budget should have reciprocated by giving a similar free list to Britain. This is the first time in nearly one hundred years that the British government has provided for such a tariff. This tariff was of considerable proportions, it imposed a ten per cent duty mainly on foreign goods but still left free entry to nearly all Canadian farm products. That was a friendly hand offered prior to the conference which is to take place in this city on July 21, and it might well have been grasped by Canada. She should have replied to Chancellor Chamberlain: Yes, we will accept this preliminary offer embodied in your emergency tariff and reciprocate in kind. As indicated by the hon. member for Shelburne-Yarmouth, a reasonable number of articles put on the free or near free list, and included in this budget would have been a nice answer to have made to the British government prior to the Ottawa conference. If that and nothing else were done at the coming Ottawa event, at least it would not be the dud of 1930 and the "duckegg" that resulted from the London conference of that year. It would have been a good start and the proper attitude to take; but it was not done. If they want to, however, they can do it yet; in fact, there is an intimation to the effect that they have already started to retract. The Hon. Mr. Price; of the Ontario government, has indicated through the press that something of the sort is to be done regarding the cancellation of certain insurance companies' taxation. The finance minister did not deny this, so I assume that is the first back-up. Why not back up a little further yet and make a free list of, say thirty or forty articles in the British preference schedule. The Hon. Mr. Dunning issued a list of 300 or 400. Why could not this government, I repeat, put thirty or forty articles on a low preferential tariff list in favour of the home government as a quid pro quo. If they are in favour of reciprocity, why do they not reciprocate instead of doing the very opposite, namely, hitting the mother country another swat in the eye by an increase of two per cent on all imported goods from all countries as a sort of preliminary welcome to the conference? Do you notice, Mr. Speaker, the old country papers are very silent on this budget? So far as I can find out, they are

as silent as the grave. No wonder. They have been looking for some tariff response on this side, but they never expected to get another tariff or import tax swat like the one they received in 1930 and later on in 1931. So much with respect to those two matters.

The Minister of Trade and Commerce spoke in a disparaging way of high prevailing interest rates. Who is at present the most responsible in this country for interest rates being high? Who is giving such high rates on domestic issues of government bonds? The great borrowing public that have still some credit in the banks find themselves in competition with a high interest rate on government bonds and which they cannot meet or pay. Nevertheless one member of the government, looking in a sympathetic manner towards the Progressive corner as if he were catering to them, moralizes that interest rates generally are too high. The same thing is done with regard to the stabilization of the currency question. The Minister of Trade and Commerce has a very nice delivery; I read his discussion on this subject in Regina and because of the excellence of his speech he nearly mesmerized and captivated the entire city. But when we come to analyze his speech, what is there in it that is practical to-day? How much is it going to help us at this time? It is a fine thing to divert the public attention from the agony and dismal character of the budget. There may be something in it to a limited extent, but how are we to bring about stabilization of currency? The Minister of Trade and Commerce says: It is an international matter. I am glad the government are getting away even this much from that miserable so-called "Canada first" policy, meaning themselves alone and to you-know-where with everybody else. They are getting away from that at least in the matter of stabilization of currency. Apparently we are progressing in regard to bringing up the government. They tell us now that stabilization of currency is an international matter. Well, as I see it, we shall be able to stabilize currency when we can stabilize mass psychology and mass fear, and not until then. I hope all hon. gentlemen heard Sir Josiah Stamp the other day. We should all be prepared to sit at the feet of Sir Josiah and learn something of economics, but I am afraid the Minister of Trade and Commerce was not present on that occasion or did not listen to and digest what was said.

Mr. PORTEOUS: What did he say about trade balances?

Mr. MOTHERWELL: I think I heard a remark somewhere. Do I spy a stranger in the gallery?

Mr. PORTEOUS: What is that swat?

Mr. MOTHERWELL: That is like some sepulchral sound one would hear at a funeral. Last Wednesday there certainly was a funeral-like story, but it is over now. I desire to draw the attention of the house, if I may, to some of the remarks made in the speech from the throne. Because of the hopes that were held out in that speech, I think we should have expected to receive a brighter and better budget. Let me read a few extracts from the speech from the throne:

> This period of trial has shown the Canadian situation to be fundamentally sound.

If it is, what are we worrying about?

> Canada still maintains its high place in world commerce.

I am just afraid that statement is not quite correct. My colleague, the hon. member for Shelburne-Yarmouth, told us that the foreign trade of Canada had been cut nearly in two during the last two or three years, reduced from $2,000,000,000 to nearly $1,000,000,000. Yet this is put into the mouth of His Excellency, notwithstanding that horrible decline. It is easy to satisfy hon. gentlemen who can congratulate themselves on having one-half of the world trade that they used to have.

As regards this last quotation, I know what we would have called it when we used to go to school, but I cannot say it in this house.

> The provisions made at the last session of parliament for unemployment and farm relief are proving effective.

The effective nature of it is that the situation is getting worse; it is effective in that respect; it is becoming progressively worse. I notice members on the other side are disappearing gradually. That last quotation is a real corker. If these statements were all warranted, surely we would have had a different kind of budget; that is the reason why I am drawing attention to them. This is another paragraph in the speech from the throne:

> You are successfully meeting difficult domestic problems.

I think the rank and file of Canadians are, but I do not think the government is.

> Conditions are gradually improving.

I think that is the climax.

I come now to the budget. I shall say this much for it: it is much less objectionable and offensive in some respects than the last one, and more so in others. It will be remembered

that I took fairly strong exception to the income tax outrage of last year, and I want to commend the Minister of Finance upon having this year corrected that taxation horror against which the whole country rose up in arms, and properly so. From the Atlantic to the Pacific there were strong protests with respect to the income schedules first proposed last year and then rather ingloriously and reluctantly withdrawn. The withdrawal came about as freely as a cat does when you pull it by the tail, but it came, and that was the main thing. I have before me the income tax schedule of last year as first proposed. All multi-millionaires who had more than $137,000 of taxable income had their tax gradually reduced under that schedule. I can read it if anybody disputes my word. As to the relative badness of the two budgets, relatively this year's budget is very much less bad than the one of last year. We find that last year the reductions that were proposed to be made in income tax or taxable income over $140,000 ran from $163 to $116,000. I am giving this in round figures. Then a great noise was made last session about quoting income tax rates in regard to those who had or might have $1,000,000 of taxable income. Our hon. friends opposite wanted to confuse the issue last year so they rose on their hind legs about it, yet the same income tax schedule is provided for in the budget of this year from zero to $1,000,000.

On an income of one million dollars the tax is $113,730. But assuming that there are none such and that there are some in Canada with a taxable income of half a million dollars, then the difference between last year's initial budget and this year's is that last year the original proposal was to reduce the tax on incomes of half a million dollars by $41,000, and this year the initial proposal is to increase the tax by $51,000, making a difference between the two budgets so far as the tax on an income of half a million dollars is concerned, of $92,000. That is quite a snug sum, and that concerns only one taxpayer with a taxable income of half a million dollars. How ungracious it is for them to return evil for such good on our part! Look at the money we saved the treasury by exposing the horrors of the government's proposal last year, and now in return they are going to cut our indemnities. Why, we saved enough money to the treasury to enable the government to pay our full indemnities right along and still be in pocket. Man's inhumanity to man makes countless M.P.'s mourn. That is what we get for having saved the treasury between three and four million dollars last year. The present Minister of Finance (Mr. Rhodes) does not make the same mistake, however, that his predecessor did. He works on the principle of a graduated tax right along except with regard to one matter. The surtax is not graduated. He is leaving that until next year, to correct, I hope. You could not expect him to swallow it all at once on behalf of his predecessor. He will have to develop his larynx and his esophagus, gradually swallowing a little, until later he will be able to swallow the whole of it. It is simply a matter of adjusting his swallowing capacity, and he is doing pretty well. The Minister of Finance is so absolutely right in graduating the tax on incomes that I wonder if he could not see his way to applying the same principle of graduation to the civil service salary cuts, and if when he rises to reply he will explain just where the difference is which makes graduation inapplicable to the salary cuts I shall be appreciative. Of course, Mr. Dunning and Mr. Robb did not graduate the surtax, but we found the surtax there and we simply tolerated it for three or four years the way it was, and then it was cancelled. In my opinion the surtax should be graduated as well as the salary cuts. But in those days we were apparently not so particular about the niceties of saddling the burden of taxation just where it should fall, because there was relative abundance all around; but to-day we want to see to it that the man who is capable of bearing the taxation burden is given the burden to bear.

Talking of the principle of graduation, why is it not applied to the stamp tax on cheques? This tax has been raised from two to three cents. That is not much. It is inconvenient hunting around for a stamp of another denomination, I think it was a good move on the part of the government to increase that tax, and further I think the tax should have been graduated so that every hundred dollars would pay another three cents stamp tax. Why should the man who writes a cheque for one hundred dollars be taxed as much as the man who writes a cheque for one thousand dollars? I think so long as the tax did not exceed say fifty cents on one cheque, the principle of graduation should be applied just as it is to the income tax. The government of which I had the honour to be a member did have a graduated stamp tax up to one dollar or more, but the Minister of Finance in the working out of that tax found that those Canadians living along the boundary line were sometimes inclined to transfer their accounts to American banks across the line where there was no graduated tax on cheques. I accepted that as a good reason. I would place the tax now somewhere between what

we had it then and what the minister is now proposing, and graduate it up to a maximum of fifty cents. If my hon. friend would follow out that principle, he would find that he would get a lot more revenue, and he would at the same time be more consistent in his attitude towards the graduation of taxation generally. I do not know whether it is a coincidence or an intuitive desire to save their own epidermis, Mr. Speaker, but whenever hon. members of the government start a graduated tax they seem to shrink into themselves when the graduation would begin to apply to themselves. To be fair we should now commend the government for adopting this year a graduated income tax. Let them also come across similarly on the stamp tax on cheques and on the salary cut. The principle of graduation is sound in all three cases. If the government will do that, we will have more words of commendation for them. But the government go slowly in that direction when it hits themselves. Big men financially and otherwise should not permit themselves to be put in the wrong in that way. Let not their good be evil spoken of. I do not care who or what the government is, if the members thereof conduct themselves in this manner they must be suspected of what I have indicated. They were last year, and they hopped to it very quickly to correct the blunder, and I hope they will hop to it with equal celerity another year and graduate not only the stamp tax on cheques but also the surtax on incomes.

In addition, the one per cent tax on imports, sometimes miscalled an excise tax, has been increased from one to three per cent and applied to practically all imports with a very few exceptions, such as hospital supplies, Bibles and such like. That tax was imposed last year for the first time, and now it is being applied against all and sundry, against our kinsmen, foreigners and everybody else. The Chamberlain budget in Great Britain, with its preference of ten per cent, has been met by our government increasing this import tax by two hundred per cent. Is not that a wonderful way of preaching one thing and practising the very opposite? See how they graduate that tax, Mr. Speaker. Last year it was only one per cent against British goods, but this year it is three per cent against British goods, and that on the very eve of the Ottawa conference. What will this tax be next year?

Mr. MACKENZIE KING: And that is in addition to the tariff.

Mr. MOTHERWELL: Yes. The tariff was not imposed gradually at all, but with ghastly suddenness. At the special session the British people were given not simply a swat in one eye but all over the face by this government jacking up the tariff sky high on many British commodities, followed by a further raise in 1931, and now they are following last year's imposition of a one per cent import tax by an increase this year of two hundred per cent, and applying that tax to all commodities no matter where they come from. How can the government defend such a horrible piece of hypocrisy, preaching intra-empire trade and practising exclusion? Really I have no language with which to describe it adequately. I shall have to get a new vocabulary, Mr. Speaker, to express what I think of it. When the government were in the midst of doing these things here is what the Minister of Trade and Commerce said at the special session of 1930. The government put up such a magnificent bluff on that occasion that we all thought that they were going to do something, that they were not going to make blooming asses of themselves. Here is what the Minister of Trade and Commerce said:

> But we are going there—

That was to the Imperial conference.

> —also in a spirit of good will.

If I gave my colleague to my right a cuff on the ear, Mr. Speaker, would he call that good will?

Mr. LAPOINTE: No.

Mr. MOTHERWELL: Certainly not. But that is what the government call good will. The minister went on to say:

> We are going there prepared to open negotiations with our sister dominions and the mother country for the most friendly cooperation in order to bring about an increase of trade between them and us.

Going to increase good will by putting up a trade barrier and treating our kinsmen in that unfriendly manner! Why, it seems to me that in their heroic endeavour to balance the budget they have succeeded only in unbalancing themselves, because nobody outside of a mental hospital would conduct himself as these hon. gentlemen on the treasury benches are doing with regard to this question.

Having raised the tariff in September, 1930, they gaily took the boat for the old country. Inside eight days after they got there the right hon. Prime Minister made a speech, not to the conference but to the whole world, in which he stated in effect the British government's propositions were not worth a hoot. Then he spent the rest of the time chasing the Right Hon. J. H. Thomas trying to round him

up because he called Canada's proposals "humbug." Well, that may not have been diplomatic language, but it was true.

Now I come again to this three per cent import tax business. If there ever was an opportunity, as was so rightly said by the hon. member for Shelburne-Yarmouth yesterday, this government had that opportunity last Wednesday to redeem themselves by making a reciprocal preference offer to the mother country prior to sitting around the conference table at Ottawa in July next. Then it did not matter what might happen, the conference could not be a failure, with the wheat quota on the British side plus the ten per cent preference in the Chamberlain tariff. However small the offer it would have been a big thing for hon. gentlemen opposite to make, because as yet they have not made any budget preference offer to Great Britain. But the government missed that opportunity. It can be recovered yet by their backing up once more. We have had a lot of newspaper criticism regarding the little preparation that is being made for the coming conference. These hon. gentlemen opposite are preparing wittingly or otherwise, to make the Ottawa conference another failure. There is lots of preparation in this budget of the wrong kind. At one time we thought, Mr. Speaker, they were playing the wise part of putting these duties up to dicker them off when they came to close quarters. Well, you cannot fool the Right Hon. Philip Snowden in that fashion, you cannot fool the people in the old country who have been making diplomatic exchanges with foreign countries and the overseas dominions since way back; they know that part of the bargaining game and discount it accordingly. Are the government going to try to dicker this three per cent off in exchange for something? What is that old saying about setting a net in the sight of the bird? Well, that is what the government are doing, setting a net in the sight of the bird, and thinking they are going to fool the "bird" by taking off this increase when they sit around the conference table. That may not be their purpose, but if it is not, what is their purpose at this particular time in placing further restrictions on inter-empire trade? I cannot denounce that too strongly. Is not that the offspring and spawn of Toryism intensified? Isn't it just what you would expect from a small-bore Tory government preparing to enter a great inter-empire conference—something that the whole world is watching? But what is the use of pursuing the subject further?

We are told, Mr. Speaker, that you cannot see spiritual things with the natural eye. It is just as true that you cannot see Liberal things with the Tory eye. That is what makes the big difference between the two parties, and yet superficial people will discuss these things and say, "Well, there is not much difference between the two old parties." But every day since this government has come into power the gulf has been getting wider and wider, until the two parties to-day are poles asunder. You cannot mix one with the other, neither can one understand the other. I suppose as I am talking now my hon. friends opposite are wondering if I am not a proper subject for a madhouse.

Some hon. MEMBERS: Hear, hear.

Mr. MOTHERWELL: Didn't I touch a responsive chord? That is exactly what I am thinking of—their policies, and sometimes themselves. Therefore there is no use trying to reconcile the two viewpoints. They have their views and they are entitled to them; we have our views and we are entitled to them. The electors will decide between us in due course.

An hon. MEMBER: They did decide last time.

Mr. MOTHERWELL: Well, I do not know that they will decide just quite the same next time, but we shall see.

The budget itself is therefore more odious than the budget of last year in the above respect. So much for the ways and means of getting revenue. The objective of the government is to balance the budget. They do it in two ways, by imposing new taxes and by reducing expenditures. How are they going about their policy of reducing expenditures? I see my good friend the Minister of Agriculture (Mr. Weir) in his seat. I am not going to blame him a bit more than the rest of the government in what I am about to refer to. Agriculture is staggering as it has never staggered since Confederation; it is down at the heels and out at the elbows as it never was in my lifetime, and yet in the face of that, the government comes down with estimates reduced by three and a quarter million dollars with respect to agriculture. Is that the way to hold up the chief industry of Canada, an industry that occupies nearly half the people and feeds them all? Is that the way to treat it? This is the avenue by which we are to come back to normal conditions of development. How are our industries to progress when agriculture is on its beam ends,

also mining, lumbering, paper and pulp, and fishing? These are the primary industries of the country, and the major one of them they have swatted to the tune of three and a quarter million dollars, in the face of the government election promise, oft repeated. "We will put the power of the dominion exchequer and of the government behind the cause of agriculture." The right hon. Prime Minister said that in Woodstock, New Brunswick, he said it all over the land, and yet when it comes to a showdown he cuts the agriculture estimates right to the bone, so much so that many of the services to agriculture will have to be dispensed with or else paid for by the farming population. I do not know where they will get the money for the purpose. Down in the maritimes they depend very much upon inspection of their certified potatoes to hold the market in the United States, but that service is threatened to be cut off, or else charged for. Potatoes to-day are worth about twenty cents a bushel or less and the government are asking the potato growers of the maritimes to bear that load. I know the Minister of Agriculture was not a party to that, I feel sure he must have protested against it. Perhaps he might have gone further with his protest, but he is a new member and a new minister, and my sympathy goes out to him. But I wonder if he could not stir things up a bit before the supplementary estimates come down. Could he not also do something for our winter fairs? I know he is a genuine live stock lover himself. The government of which the Hon. Martin Burrell was Minister of Agriculture, and all the governments that have followed between that day and this have been anxious about promoting the prosperity of our live stock industry as the chief cornerstone of agriculture. Why take away their grants at this time and leave them not only with loss of money but loss of morale, because of lack of sympathy on the part of those to whom they have the right to look for encouragement? That is the story of how they are trying to "save" money; what they cannot get from agriculture they are skinning off the poor civil servants, to the tune of $7,000,000 or $8,000,000. If all these prognostications contained in the speech from the throne had come true the government would not have had to resort to these questionable methods of getting revenue in order to balance their budget, which is not balanced and would not stay balanced if it were, so long as these hon. gentlemen remain in power and keep on destroying revenue by prohibitive or high tariffs.

Then I come to another matter. Hon. gentlemen opposite say we are making no constructive suggestions. Is there nothing constructive in the suggestion that the Minister of Agriculture (Mr. Weir) try to remove himself and the government from the charge of being more unfriendly to agriculture through that one act—reduction of the agriculture estimates—than was the case with any previous administration within my memory? This has been done at a time when agriculture is least able to stand it. It is like kicking a man in the ribs when he is down; in fact it is like kicking a man all over, in the ribs and everywhere else. I hope the Minister of Agriculture will respond to this appeal; he must realize the situation himself. If there is anything I can do I will be glad to help him, although I do not see how I can render much assistance except by giving hail columbia to his leader and colleagues, which I am trying to do now.

I do not think the previous government could have made the progress it did make in agriculture if we had not had a sympathetic Liberal prime minister. I do know who is responsible for the building in which the Department of Agriculture is now housed; I do know who is responsible for that fact that for the first time since confederation the department is under its own roof, and that is the leader of the Liberal party. The present Prime Minister is the gentleman who is guilty of slashing the grants and estimates for agriculture. I can just imagine him dismissing his cabinet some night, telling them to go to their offices and come back the next day with their estimates reduced by so many millions of dollars. It would not matter where the reductions were made; it would not matter who was hurt, whether it was a primary industry, whether it was the militia, the flying corps or anything else. That is the way they apparently made up their estimates over there, from all the evidence we can gather. We have no spy in the cabinet to tell us these things; we never hear a peep outside from hon. gentlemen opposite, but those who have been in cabinets before can read the evidence in the estimates and between the lines.

So much for that; I do not hear hon. gentlemen opposite jeering very much now. Now let me for a moment refer to the Hudson Bay railway, which was nearly ruined once by the Tories, who located the terminal at Nelson. I say that advisedly, that the mongrel Union government, which was in power part of the time, and the Tories almost ruined that road at that time. The Liberal government is responsible for moving the terminal to

Churchill. The road can be ruined again, and it is no wonder hon. members from the west who are anxious about this road have some misgivings as to how friendly this government is to that undertaking. Of course it is finished; it was completed to salt water before the government changed, but the Tories got all the hurrahs when the first loads of wheat were sent out last year. But the insurance is so high as compared with the St. Lawrence rate that I do not see how we are going to develop trade via the Hudson Bay route unless these and other rates are lowered to those of competing points. It takes a long time and a great deal of effort to switch trade from an established route to a new one. Hon. members will recall that when the Vancouver route was opened, via the Panama canal, it took many years to develop it, and that port is open all year. It will take more effort and a longer time to develop a route which is open only four or five months during the year, so the insurance rates and other rates must be reasonable in the early stages at all events or the development will be disappointingly slow. Just think; we have a new port on the plains of the west to which we have been looking forward for fifty years. It was started by the Liberals and finished by the Liberals, but then hon. gentlemen opposite came along and by means of high tariffs and everything else put all the obstructions imaginable in the way of trade over that route.

The ACTING SPEAKER (Mr. MacDonald, Cape Breton): The hon. member has spoken forty minutes.

Mr. W. E. ROWE (Dufferin-Simcoe): Mr. Speaker, after observation of the first budget presented to this parliament by the Minister of Finance (Mr. Rhodes) I am in hearty agreement with the hon. member for Shelburne-Yarmouth (Mr. Ralston), chief critic of the Liberal party in this house, at least in one respect: I think it is a clear-cut and concise business program. The splendid style in which it was presented to parliament is further evidence of those excellent parliamentary qualities for which the hon. minister has been distinguished in his native province as well as in other parliaments.

I do not propose to follow very closely the somewhat rambling remarks of my hon. friend from Melville (Mr. Motherwell). I have the highest personal regard for the hon. member, and during his years in this house we have listened to him on different occasions with great interest. It is somewhat remarkable, however, that his speeches are becoming more conspicuous for the entertainment they provide than for the logic they contain.

[Mr. Motherwell.]

In this country to-day we have very great difficulties confronting the present administration; the great economic crisis that has prevailed throughout the world has brought about unprecedented problems within Canada which have made the task of government more difficult than it has been at any time since confederation. It is not my purpose to contrast at any length the policies of the present administration, faced with these difficulties, with the lack of policy shown by the former administration under much more favourable circumstances. However, I venture to state that during those days that have been properly referred to as an era of prosperity, Providence smiled on Canada and with bountiful harvests and favourable world conditions the producers of this dominion secured rich returns. But I think it must be admitted that this temporary prosperity was something over which the previous government had no control and for which they should claim very little credit.

One recalls that immediately after the last election it was found necessary to call a special, emergency session of parliament to provide $20,000,000 for the relief of unemployment, which was supplemented by a similar amount provided by the municipalities and provinces. Something over $7,000,000 a week was spent in order to care for the thousands who were unemployed at that time.

We have heard a great deal with reference to low commodity prices, Mr. Speaker, and it is rather interesting to note that agricultural commodity prices have dropped by over fifty per cent. However, it is equally significant to observe that these commodity prices dropped almost forty per cent between December, 1929, and the beginning of 1931, during the greater part of which period the party sitting to your left had charge of the government of this country. Therefore I doubt if hon. gentlemen opposite can find much glory or comfort in these difficulties through which we are passing, when we remember that they failed even to recognize the problem before going to the country, and failed to offer any reasonable solution for the unemployment problem or for the prevention of the unfavourable trade balance then in sight.

Many problems are confronting the government of the day, Mr. Speaker, but I believe they have been adequately met. Our financial obligations have been met one hundred per cent, and through the enthusiastic cooperation of the people of Canada and the skilful management of the former Minister of Finance, the present Prime Minister, our financial integrity has been maintained in spite of the trying

conditions which have existed during the last couple of years. There are many other problems facing this government at the present time. There is, for example, the problem of transportation, which has been well described as the second national debt of Canada, and there is the problem of balancing revenues and expenditures. The problem of balancing our trade has been met in a way that promises a substantial trade balance in our favour in 1932. Transportation is one of the major problems before the government at the present time, as every citizen must admit; and encouragement has been given the management by the present government with a view to curtailing apparent extravagance in the conduct of the road. As a result of the encouragement which has been given to industrial activities in Canada by the "Canada first" policy of the government, we find that 142 new industries have been established in the dominion, and when normal times return —and I believe they will return sooner in Canada than in any other country—a good deal of assistance will be afforded our unemployed.

I know there are thousands to-day in this dominion who are praying for a return of the prosperity they enjoyed in stock market days, that era of plenty; but there are many more who are becoming more and more fearful for their very existence. We are no doubt passing through a serious economic crisis. There are those to your left, Mr. Speaker, who charge this government, and particularly the Prime Minister, with having made promises. Well, we know that the leader of the opposition has broken promises in the past, but there is one leader whose promises no one has doubted in these times of trouble. We have from him the assurance that he that tilleth the land shall have plenty of bread, and the unemployed in this dominion must in future establish their homes and seek employment on the land rather than in highly industrialized factories. In this regard I would refer you to the development that has taken place in this country during the last ten years, in which time the hon. member for Melville, was what one might call the manager of our great enterprise in Canada, namely, agriculture. Agriculture, as he has said, employs directly and finds homes for approximately forty-six per cent of the people of Canada. It has been well said that possibly two-thirds of the rest of the population depend indirectly upon agriculture and its allied industries, or at any rate are indirectly affected thereby. The general progress of the dominion depends upon the success of agriculture. If that is true, then one is reasonable in assuming that upon the soundness of Canadian agriculture depends the future prosperity of this country. It has often been said that agriculture in Canada is the producer of one great commodity; but may I point out that after all agriculture embraces a multitude of important industries in this country. Some of these branches of our agricultural enterprise are capable of much greater expansion than others. Some are capable of vast expansion by means of improved machinery, while others can expand only by the employment of man power.

Before the war, in 1913, Canada produced five per cent of the world's wheat, and at that time she had ten per cent of the exportable surplus of the world. Since that time she has increased her production by 122 per cent, the major portion of that increase having taken place between 1920 and 1930. To-day she produces over ten per cent of the world's output and supplies over thirty-five per cent of the exportable surplus of the world—that is, exclusive of Russia. The Argentine, the United States and Australia, have had, of course, similar increases ranging anywhere from twenty-five to seventy per cent. Taking these facts into account, we find that the world's production in that ten-year period has increased by approximately twenty-five per cent, or 700,000,000 bushels in one year. It is not surprising, therefore, to find in 1930 double the world's exportable surplus on hand, or double the world's normal carry-over.

One would hesitate to hazard the opinion that this is an over-expansion, in view of the very nature of the product itself, because so much depends upon the weather conditions in the countries that grow wheat extensively. I do say, however, that it makes uncertain the marketing of wheat independently of world depression, in view of the increased acreage, which has been about 30,000,000 acres since 1920. The consumption increase has been much less, and therefore only a failure of crop in certain parts of the world ensures the safe marketing of wheat in the future. But I repeat that one would hesitate to say that we have had over-expansion. If we had an increased yield per acre of two bushels, next year there would be 600,000,000 bushels of extra surplus, or 100,000,000 bushels more than we have ever produced, and that fact must be taken into consideration.

Great encouragement has been given the production of wheat in this country. Special freight rates, for instance, with both railways, approximate $20,000,000 or $25,000,000 of advantage to grain growers in certain years. Then there are terminal facilities, seed grain

and so forth, all of which has considerably benefited the trade of Canada. I believe that in peak years it has approximated almost half a billion dollars, representing new wealth in this dominion.

We have had, to some extent, an unbalanced development throughout this dominion. I am not attributing this all to the government that is no longer in power, for world conditions and the prices of wheat have in no small way effected that change. We find, again, that it is possible to produce more wheat in Canada with less labour than it has been at any other time in our history. It has been estimated, according to figures at Washington, that in the United States 20,000,000 acres of land have been released for the production of wheat as a result of the change from horse to mechanical power. The ground formerly used for the production of fodder, hay and oats, to feed the horses that were used for power purposes, is to-day, owing to the substitution of mechanical power for horse power, released for the production of wheat, and as I say, this represents 20,000,000 acres. On a smaller scale, the same change has been evident in Australia and in the Argentine. It has been estimated that the full time employment of one man can take care of from 1,000 to 1,500 acres of wheat ground in Australia or the United States. I presume the same could be done in certain sections of western Canada if modern machinery were available. It is therefore reasonable to assume that 100,000 men could produce the total output of Canada's wheat at the present time.

I mention this to show what has taken place. Even in eastern Canada we have felt the trend of things in the west, for peak labour in western wheat production is no longer required. Not a single train left eastern Canada in 1929 for the wheat fields of the west, and I doubt whether one has left between that year and the present time. The combine and the tractor have played their part in this change. The rapid advance that mechanical science has made has also affected industrial as well as agricultural activity. So that it is not fair to compare the numbers employed to-day in any line of production with those employed five years ago. It is not uncommon to-day for a manufacturer to tell you that he can produce more at the present time with fifty men that he would have thought possible five years ago with one hundred. Machinery obviously has played its part in industry generally in Canada as elsewhere. But there is one field in which machinery cannot interfere with the labour man, one place where it cannot rob him of his labour. I refer to mixed farming. Consider the districts that have been growing wheat for a number of years, having had to combat the stubborn sow thistle, tumbleweed, mustard, and so on, and you will realize that the rotation of crops is absolutely necessary. Every agriculturist in Canada realizes now that rotation of crops is becoming an increasing necessity. I know there are certain sections in this country which will be retained for many years to come for wheat production, but I know also that there are other sections where farmers are endeavouring to grow wheat which would be better adapted to mixed farming. I doubt if there is a farmer in this house who will deny that statement. Rotation of crops means that barley and other coarse grains which can be sown later in the spring allow for a longer cultivation of the ground in spring. Some fibre is given back to the soil by this method and I venture to say that if this step was taken we would have a larger live stock production and much of this grain would be consumed. I believe it is possible to consume in Canada over thirty or forty per cent of the present exportable grains such as barley and the lower grades of wheat. That is the surest and safest market, at least for the low grade wheat and the coarse grains which we are now finding difficult to dispose of in the markets of the world.

Wheat has not always been our main export. Even back in 1920 Canada exported $133,000,000 worth of live stock and dairy products, which was $16,000,000 more than the value of the wheat exported last year. I direct the attention of the house to the fact that despite these hard times the dairy industry produced last year $35,000,000 more than the value of the total wheat produced. I need only contrast these two phases of agriculture in order to impress upon the house the importance of the live stock industry, as was mentioned by the hon. member for Melville.

However, it is a rather peculiar coincidence that during the régime of his friends, from 1920 to 1930, we saw a lopsided development in agriculture. In 1920 we were in the export market and we sold to the United Kingdom 26 per cent of her requirements of bacon, while Denmark supplied less than 12 per cent. In 1930, ten years later, Canada sold 1½ per cent of the requirements of the United Kingdom, while Denmark supplied 60 per cent. Sixty years ago Canada sold to the British market almost three times the amount of bacon she has been selling in recent years. This market should have been properly nursed and encouraged and at least maintained to a degree.

I appreciate the world conditions which have contributed to the change as well as the neglect of the former government. In 1910 we found that the production of thirty years previous had been increased by two or three times, and by 1920 this production had been increased again by five times. However, in 1930, instead of exporting to the United Kingdom twice as much as did Denmark, we exported less than 9,000,000 pounds while Denmark exported 600,000,000 pounds. It must be quite evident that a lopsided development has been carried on in this country, and I suggest that this market should have been retained for Canadian products.

Perhaps the house will pardon me for going into details but I think what I have to say is of national importance at this time. The live stock industry should be developed in order to solve to some degree our unemployment problem. This market in Great Britain which was properly our market, should have been retained. I have discussed this matter with leading manufacturers and pork packers, and I doubt if there is a farmer or packer in this house who will deny what I have to say. My information is that the processing of one hundred hogs into bacon will give employment to two men. It would require 2,500,000 hogs to supply the bacon for one half the sales in the United Kingdom which we have lost to Denmark, and this processing would give employment to 50,000 men.

The dairy industry is another factor to be considered in this matter. I am not going to say that we should properly develop the export butter market; I know that has been said by hon. members opposite. I know that farmers of this house agree that the development of cheese would relieve the butter market in Canada and would automatically be of interest to the dairy industry. In 1904 we sold the United Kingdom 234,000,000 pounds of cheese, while last year we sold only approximately 85,000,000 pounds. In 1903 our sales of butter amounted to 34,000,000 pounds, and this market was maintained until 1925. I shall not go into the reasons why this market was not maintained and why we were finally forced to import over 50,000,000 pounds; we all know this story quite well and those who sit to your left, Mr. Speaker, must be tired of it. Had we retained our market overseas for the dairy products of this country, 400,000 more cows would be required in production to-day. As one who has sometimes milked a cow, I say —I leave it to the dairymen in this house to decide whether or not my statement is reasonable—that the feeding, stabling, housing and milking of eight cows and all that is involved in the production of butter, cream and cheese so produced, would give employment to one man. The 400,000 additional dairy cows needed would give employment to 50,000 of those who are now waiting for government assistance.

If we had an assured market for the products of mixed farming, more people would be employed than the total number required to produce our wheat crop. I am in full accord with everything that has been done for the production of wheat—every year, one-third of the land cultivated on my own farm has been in fall wheat—but we need a more diversified production in agriculture. This method of agriculture offers an elementary existence to the people who are now hungry. It is the only industry which offers any apparent expansion; it is the only place to which a man can take his family and be sure that he will obtain a living. He can kill a pig or a chicken and will be able to obtain a living, at least until the sheriff drives him off his land.

I know it has been said that once we enter the export market, prices will be reduced and hardship caused to those on the farm. I admit that since we went on the export market with certain lines of our products prices have dipped enormously, there is no doubt about that. It has been stated in this house that the only way to solve unemployment is to have fewer people, the only way to increase prices, is to produce less. Canada has a staggering debt and a tremendous transportation problem, and these matters will always remain difficult of solution if those theories are carried into effect. My own personal opinion is that some assistance should be given to mixed farming. If such a plan were evolved it would encourage this type of agriculture. Take the production of bacon, for instance. Our exports last year amounted to 11,000,000 pounds; if this amount was increased even to 30,000,000 pounds, it would cost the treasury of this dominion only $600,000 to establish an export bonus of 2 cents per pound. If our exports of live beef were bonused by two cents a pound, allowing an increase of 25 per cent, it would cost $700,000. An amount of $1,000,000 spent on cheese would allow for a similar increase on that and an expenditure of $60,000 would allow for a bonus of three cents a dozen on eggs. This would mean you could establish a bonus system which would encourage the sale of our exportable surpluses at satisfactory prices, automatically stimulate the market at home and return to the mixed farmers throughout the dominion approximately $30,000,000 by the increase in prices of farm products. I believe it should

be administered by an export board and should be allowed only on high grade products and automatically eliminating itself when domestic prices reached a certain point.

I know there are those who would oppose any form of bonus; I know there are those who say that it is artificial restoration, but the mixed farmers and agriculturists generally have been subscribing to artificial restoration ever since the days of the formation of this dominion. We have subsidies for iron and steel, subventions for coal, special freight rates and cash bonuses on wheat. The precedent was established in the mother country 150 years ago when fifteen cents a bushel was given on wheat and eight cents a bushel on barley to stimulate and encourage the industry of agriculture in that period of her history. I feel satisfied that what I have suggested would stimulate agriculture in this country in no small degree.

The chief concentrate, however, of such products is made up of grain and therefore this would react to the benefit of the grain growers just as much as to that of the live stock producers. When you consider that in the production of milk twenty-eight pounds of grain is required to produce 100 pounds of milk, you can readily see that 10,000,000 pounds of grain could be used in the production of the milk to which I have referred. More than 30,000,000 bushels of grain would be required to feed the hogs I have mentioned, and it is reasonable to assume that at least 30,000,000 or 40,000,000 bushels of those low grades of wheat and cheap grains could be used in that way. The result is therefore bound to be to the interest of agriculture generally. It was said by the late Adam Smith—and I know those sitting opposite will not deny that he was pretty nearly always right—in that famous world classic, the Wealth of Nations, that the condition of any well cultivated area in any extensively agricultural country depends upon the live stock that is kept on the land. Therefore, while there may be in the west certain districts that some may believe will never forfeit their power to produce indefinitely, yet I believe by all the signs of the times nature is demanding that something be returned to the soil for the great production she has yielded, if it is desired that that productivity shall continue. Millions of dollars have been spent on fertilizers throughout the dominion for this purpose. I wish to make this brief statement in order to give an idea of what my suggestion would mean in the way of artificial fertilizer to the soil of this country. From scientific estimation it is figured that from the production of 1,000 pounds of pork the value of fertilizer is equivalent to $23 in artificial phosphates and nitrates. Similarly the return given by a dairy cow annually to the soil is worth $25. The figures I have mentioned would return annually to the soil $22,000,000 that it has cost the farmers for artificial fertilizers. There is not a farmer in eastern Canada who does not agree with that, and in western Canada they are coming to realize the same. I find in the forty nine census divisions of western Canada, twenty-three show a rapid increase in mixed farming, and as regards those who are making a success in western Canada over 80 per cent of those who are farming on less than 160 acres own their land, while less than sixty per cent of the larger operators own their farms. There are approximately 700,000 farms in Canada at the present time and over 500,000 of them are less than 200 acres, and adapted to be turned into mixed farming or what might be termed agricultural factories. At this time they are the only factories that show any satisfactory expansion for employment. To prove this all we have to do is to consider what the Minister of Immigration (Mr. Gordon) did last year when he placed 42,000 men on mixed farms when every other factory in this country was reducing staffs and the government of the day were paying millions of dollars to feed men who were out of work. Every agriculturist in the country knows it is not sound business to place all your eggs in one basket. It is not wise to do that to-day, nor is it wise to depend absolutely for the nation's prosperity upon trading in one commodity alone and to stake our fortune against the weather of Australia or the social experiments of Russia or the crop failure of Argentina or the crop success of the United States. My suggestion would mean our people would find a livelihood more within themselves.

It is reasonable to assume that the day will soon come in this country when we may hope to develop that type of agriculture which will consume at least half of the grains we are at present having difficulty in marketing. The forthcoming Imperial conference offers encouragement in the prospects of increased markets. We know that Great Britain imports $5,000 worth of foodstuffs every minute. She buys $2,500 worth from foreign countries every minute. She buys more bacon and butter in one month from one foreign country than she does from Canada in one year, and she purchases that from a foreign country that has a favourable trade balance against Britain of approximately $200,000,000 annually. The forthcoming Imperial conference offers

possibilities in that regard. When we who inhabit the largest area, the richest in resources, that any 10,000,000 people in the British Empire have the privilege of inhabiting, go to that conference and receive the benefits we expect to receive, we must realize that to every privilege there is attached its associate obligation, and I would suggest that our associate obligation will be that Canada must have a new immigration policy of some kind; she must accept more people from Great Britain. I am speaking only in anticipation. I know hon. members will agree that Canada, having a population of only 10,000,000 and the British Isles becoming more congested every year, if we receive a great deal, we must expect to give something; we must give a home in Canada to more people. Therefore the employment of our people is most essential at the present time, and I am satisfied that with sound development, when prosperity returns to any country in the world, it will return to Canada. I am satisfied that no other country is at present better situated to benefit by an improvement in world conditions.

I well recall the immigration policy of those, Mr. Speaker, who sit to your left. I remember, when they came into power, the immigration policy they had. They said they would send to all corners of the world for immigrants; they would welcome to our shores thousands and thousands of people from all countries, of all races, and that all would be made good citizens; but when they came to Canada and endeavoured to become good citizens, the then government continued to sell the raw products of our great resources and to buy the finished products of foreign countries. We heard an ex-Minister of Immigration, on going out of office, say in the Senate: We have managed to drive more people out of Canada than we have brought in during the past year.

The speaker who preceded me mentioned that agriculture is at present in a stagnant position. Canada was in a stagnant position when this party took power; the world depression had something to do with it, but the weakness of the former administration also had something to do with it. However that position was brought about, I believe that the test of our economic soundness lies in our days of great depression. That has been realized in the British Empire, in the motherland, as much as here. Great Britain at present is more susceptible to policies she heretofore opposed. She has lately adopted policies she once condemned. With a spirit of cooperation unprecedented in any other country in the world, she now promises a return to prosperity more rapidly than that of any other country. I only wish to say to the party who sit to your left, Mr. Speaker, that they might adopt some of those policies in this country, because we have a leadership at the present time unparalleled in Canada's history. The other great force associated with leadership is fellowship and cooperation, and we solicit that of them. The Imperial economic conference to be held at Ottawa during the coming summer will make Ottawa the most conspicuous place in the world at that time. Ottawa will be the council chamber, as it were, of the empire's most important trade agencies. The Prime Minister of this dominion will be the host of that gathering and will probably supply many of the main proposals for its consideration. He is the one dominion representative who stood out at the last imperial conference, and courageously declared that a closer imperial trade relationship must be arranged in order to save Britain from the possible collapse which threatened many other countries. Those in the old country who then condemned him now to some extent at all events praise him.

In conclusion, Mr. Speaker, may I say that Canada has contributed in no small measure to this new empire scheme, ably led by the present Prime Minister. When conditions improve I am sure such service will justify her place in the empire's progress and certainly will justify our present Prime Minister's place in British history.

Hon. P. J. VENIOT (Gloucester): Mr. Speaker, I listened with rapt attention to the speech which has just been delivered by the hon. member for Dufferin-Simcoe (Mr. Rowe). I was especially interested in his remarks touching the price of farm products, and in his admission that we were bound on an exportable basis to have low prices for farm products, especially for butter. I was just wondering whether this was the same gentleman who visited the province of Quebec last summer and some parts of the maritime provinces two years ago, encouraging our farmers to pass resolutions condemning the Liberal government for the very low prices prevailing at that time for farm products, and laying stress especially upon the price of butter, which was then selling at 35 cents a pound and is now selling somewhere around 18 and 20 cents a pound. I wonder if the hon. gentleman who has just resumed his seat would dare go into the eastern townships of the province of Quebec to-day with the story he is telling now. I wonder if he would go down to Prince Edward Island, which he visited, and to Nova Scotia, and induce the farmers to listen to

his plea. I wonder if he would say to them now: In order to get a reasonable price for your butter I appeal to the government in power to-day to bonus you. My hon. friend is in favour of the bonus system to-day. Why? Because the system adopted by the party which he supports has not brought about results that he anticipated. Consistency is a jewel; there is no question about that, but I fail to see many jewels on the other side of the house. They certainly do not shine if there are any.

An hon. MEMBER: I see an emerald.

Mr. VENIOT: My hon. friend is thinking of the emerald isle.

Mr. MERCIER (St. Henri): He means a dandelion.

Mr. VENIOT: I wish to refer in passing to the speech delivered last night in this house by an hon. gentleman who dealt with the industrial situation in this dominion. He set forth the argument that because of an increase in industrial establishments in Canada under this government, unemployment had to some extent decreased. But the hon. gentleman forgot to tell the house how many factories and industries in this country have closed their doors since the present government came into power. He said that he made a tour of investigation to satisfy himself by so and so and so and so. I wonder if he toured the maritime provinces and went into the city of St. John, where in the last ten months some three industries have closed, throwing out of employment over twelve hundred men. If my hon. friend had wanted to be honest in his argument he would have also shown us the other side of the medal. He would have shown how many industries have dwindled and disappeared since this government came into power, as well as how many have been reported as being established in the dominion.

Before I undertake, Mr. Speaker, to give my reasons for opposing the method adopted by the present government to balance their budget, I wish to pay my compliments to the Minister of Trade and Commerce (Mr. Stevens). Last evening he made a speech in this house, and it was one of the most laboured attempts to defend the government to which I have ever listened, or which it has ever fallen to his lot to deliver. We all appreciate the ability of the Minister of Trade and Commerce, and when I saw that he had been chosen to reply to the financial critic of the opposition I certainly expected something sound. I expected that he would be able to shoot holes through the argument of the opposition critic, but he failed, and failed utterly to do so. What did we find him doing? We found him rather attempting to attack and also wishing to have sympathy from this side of the house. His first utterance was this: "We are here to face courageously the economic problems which confront the country, and so far the government had received very little assistance in the form of constructive suggestions from the opposition." Let me ask the hon. gentleman, Mr. Speaker, what use would it be for the opposition to offer constructive suggestions to our friends opposite? What have they done to prevent us from doing that which they blame us now for not doing? They have taken out of the hands of parliament the very powers under which we could sit here and offer and discuss constructive suggestions. They have taken the power, which we on this side of the house have strongly opposed, to legislate, not as in the past, aboveboard and before parliament, but in the secrecy of council, and there to adopt and put into force policies without reference to this parliament. We on this side of the house at the present time cannot find entry to the executive council; therefore we cannot offer any constructive suggestions in that way. But notwithstanding that, let me attempt to prove that the Minister of Trade and Commerce did not confine himself to the facts when he stated that the opposition offered no constructive suggestions. What is the record? Let us go back to the record of the Liberal party since we have been sitting to your left, Mr. Speaker. At the special session of September, 1930, the opposition strongly advised the government that the sky-high tariffs they were proposing to introduce would not remedy unemployment. We pointed that out to them in the strongest parliamentary language. To-day I will not say it is a matter of satisfaction to us to know that we were right; no, because it should not be a matter of satisfaction to think the government have acted in such a way as to render the situation worse to-day than it was when they took office. But, sir, we can point to our friends opposite and say: On a certain date we suggested to you that the methods you were proposing to this house to meet the unemployment situation would not operate successfully. Our honoured leader suggested that a non-partisan commission be appointed with power to administer whatever relief the government was prepared to give to the unemployed, either in co-operation with the provincial government and the municipalities or alone. The government did not accept our view. But what do we

find to-day? We find those very gentlemen to whom we again appealed in the session of 1931 to adopt a different and a better means to meet the situation, and to whom we gave the benefit of our views on that occasion, are themselves so convinced that their methods were too expensive and did not bring about the results that were anticipated that to-day they have called a conference of the provinces—the very advice which was given to them by our honoured leader in 1931, and which they then flouted on the floor of this house. We find they are in conference now with the provincial premiers, and if we are to believe the reports in the press we must come to the conclusion that our hon. friends opposite are about to abandon their unemployment policy of the past and are groping in the dark for a new policy. And yet the Minister of Trade and Commerce says that we have offered no constructive suggestions. If time permitted I could give several other constructive suggestions offered by the opposition to our friends opposite, but not listened to and certainly not adopted by them.

In reading the speech of the Minister of Trade and Commerce I have discovered what I consider to be a gem, if I may use that term. I am going to quote it. Referring to the hon. member for Shelburne-Yarmouth (Mr. Ralston), he said:

> His was a subtle, bitter, and I might say petty criticism of the government's position and difficulties. Not one syllable to indicate the difficulties which we are facing, and not one word on the causes of our troubles.

Those words fell from the lips of the hon. Minister of Trade and Commerce last night. Knowing him as I do, having listened to him for six years in this house delivering speeches in criticism of the Liberal government, I was somewhat surprised that he should complain of any bitterness in the criticism of others, because no public man in Canada ever used such a bitter tongue as the hon. minister used when, seated to your left, sir, he rose to criticize the Liberal policies of that day. But now that he is receiving in return an application of the very medicine that he applied to the Liberal government, we find him cringing under the lash. I thought the hon. gentleman was more of a sportsman, I thought that he who has been held up as bold and courageous in defence of the government could take a little criticism without pleading that the opposition was not treating him and his party right. Thin-skinned indeed must be the hon. minister when he cannot listen to criticism which compared with his in the past is but eulogy. And yet the hon. gentleman has the effrontery to tell us that our criticism is bitter! I find that the hon. gentleman also gave a definition of a pessimist. I am not going to quote it, but if that is a true definition of a pessimist, then, Mr. Speaker, we are in the presence of a wonderful artist who can paint his own portrait without having to use a mirror.

Now I come to the budget. My experience in the administration of public affairs has convinced me that, if at all possible, every government should balance its budget. It is necessary to do so to maintain the credit of our country both at home and abroad, but when we have to use the means adopted by the government to balance its budget, the imposition of very onerous taxation, taxation that weighs especially upon the shoulders of the masses, when in order to balance the budget we have to introduce taxation that will take away the purchasing power of our population, then I think it would be better for this country if there had been no balancing of the budget. Because the moment you burden the people with too heavy taxation, the moment you place them in the position where their purchasing power is gradually but surely disappearing, that moment you retard the development of the internal industries of the country.

In that respect let me ask this question: How does excessive taxation affect us at home? I cannot better express my conviction on this point than by giving the following quotation:

> Where trade is hampered or restricted by excessive taxation it follows that the measure of profit which may accrue to those engaged in it is correspondingly less, and that the cost of living to the individual becomes correspondingly more.

I agree with every word of that quotation, while I do not always agree with its author. The words I have just quoted were uttered by the present Prime Minister in 1927, and if that statement was true then certainly it is even truer now, but the Minister of Finance, in delivering the budget address, condemned the very policy laid down by his present leader just a few years ago. The right hon. gentleman went further in that speech; he added that increased purchasing power means increased trade, and surely if that is so the reverse is so also, and diminished purchasing power must mean a diminution in the trade of the country.

Starting with that principle, Mr. Speaker, I am surprised that the Minister of Finance could not find some way to balance his budget without imposing these heavy taxes. I am not the only one who differs with the minister; there are those in his own party who

are very strongly opposed to the principle, but for some reason or other they support the minister. Let me quote the Montreal Star of the day after the presentation of the budget in this house. It said:

> This is the poorest time in a decade to tax the Canadian people. We need every penny we can raise to get business started again.

Further on it said:

> When we come to discuss the new taxation in detail there is something to be said against every item, and a lot will be said.

But the Star wishes to pat the minister on the back a little; it does not want to hit its friends too hard, so it says:

> On the whole, it will be difficult for critics to suggest better alternatives.

I intend to deal with that later. Again, the Star says:

> In every case taxation of this kind stuns public confidence, saps energy and reduces enterprise.

The Star then goes on and questions whether the government, in its endeavour to balance the budget, has practised in the past the economies that it should have practised. I know it has been a common practice for hon. gentlemen opposite to say, "Well, if you criticize why do you not offer something constructive?" It is my intention to offer something which I consider constructive; it may be too late for hon. gentlemen opposite to change their budget, but if they had possessed sufficient foresight they would not have had to place before parliament such a budget as that to which we listened last week.

For instance, if the estimates for 1931-32 had been pared as the estimates for 1932-33 are being pared at the present time with respect to public works, contingencies, salaries and other controllable expenditures, there would have been no need to increase the sales tax. But instead of practising economy when they came to power in 1930 we find that the estimated ordinary expenditure for the year just ended, 1931-32, was $410,457,000, exclusive of $20,000,000 for unemployment relief, as against an expenditure of $393,980,000 in 1930-31. The expenditure for 1931-32 should have been at least $35,000,000 less than that of 1930-31, instead of some $17,000,000 in excess, and if that course had been followed the sum now necessary in order to balance the budget would have been only one-quarter of the $55,000,000 which we are told is required.

The Minister of Finance has told us that the reduction in ordinary controllable expenditure this year will be about $35,000,000 as compared with last year, and we are told that the controllable expenditure this year is about $143,000,000. The minister further informed the house that last year the controllable expenditure amounted to about $179,000,000, but last year we were not able to make any reduction, while with a controllable expenditure of only $143,000,000 we are able to practise economy to the tune of about $35,000,000. That alone, Mr. Speaker, should be sufficient proof that at least in the year gone by the then Minister of Finance had not sufficient foresight to see that economy must be practised if the people were not to be burdened with extra taxation.

I feel that I should congratulate the present minister on having been able to reduce the controllable expenditure by $35,000,000, when the total controllable expenditure of the country is only $143,000,000. What could have been done if an earnest effort had been made in 1931 to practise economy, when the controllable expenditure was $179,000,000? I said these figures proved my contention, but they do more; they prove that the government did not measure up to the occasion. They began to grasp the situation too late, and now they jump in with a system of what might be called panic economy, by which they are disrupting the whole economic structure of this dominion.

Sir, I have pointed out how this government could have practised economy, and I have shown that if they had done so they would not be forced now to impose these excessive taxes. When the Prime Minister saw the result of his miscalculations, referred to so strongly the other night by the hon. member for Shelburne-Yarmouth (Mr. Ralston); when he saw that the estimated revenue had fallen, in six of the principal sources of income, to the extent of some $91,000,000, and when he realized that he had to face that embarrassment, he decided that something extreme must be done if they were to balance the budget. And there is no doubt that he was a party to the imposition of these excessive taxes that have now been placed before us.

Let me go one step further and take up the estimated revenues now before the house. It will be noted, when you read the speech delivered by the Minister of Finance, that he religiously avoided making any comparison between the estimated revenue for the current year and the estimated revenue of 1931-32. He contented himself, in both estimates and expenditures, with making a comparison with the year 1930-31, and I do not blame him for that because, knowing as I do that he is always actuated by a spirit of leniency, it

could not be expected that he would wound the feelings of his leader by making a comparison between the estimates of the present Minister of Finance and those which the right hon. gentleman made last year and which have proved such a failure. I can understand why that was done. The present Minister of Finance has given to the house the estimates for 1932-33, and I find that in customs duties, based on last year's range of business and taxation, he estimates only $100,000,000; excise duties, $45,000,000; excise taxes, $70,000,000; income tax, $48,000,000; Post Office revenue, $32,000,000.

A comparison of the estimated revenue now before the house with the receipts of the last fiscal year reveals an astonishing state of affairs. It proves conclusively that this government is shamefully falling down in its attempts to improve conditions. It clearly exposes the incompetence of the government to meet the deplorable condition brought about largely by want of stability and lack of proper administration on their part. The Minister of Finance, in laying these estimates before the house, made this statement:

> With revenues estimated at $310,100,000 and the usual current expenses of government, amounting to $369,900,000, it is clear that increases in the rates of taxation are necessary.

He then points out that the contemplated increase in taxation will give $55,000,000 more revenue; but—and I do not blame him for this, for I think he shows wisdom in this regard—he avoids telling the house, or forgets, or perhaps deliberately omits to tell the house what each source of revenue affected by the increase in taxation will bring to the treasury. He dare not estimate it. Why? Because by the figures he shows here he gives absolute proof of his want of confidence in the future business of the dominion. He then proceeds to give an estimate of the revenue for 1932-33.

Now let me analyze the estimated revenue. Take the revenue from the postal service. The minister tells us that he expects a revenue of $32,000,000. This is an increase of only about $300,000 over the total revenue of 1931-32. If the postal service does as much business in 1932-33 as it did in 1931-32, then that estimate should be $34,000,000 and not $32,000,000. Surely the minister does not look forward to a falling-off in the revenues of the Post Office Department, because to my mind the activities of that department, the receipts from that branch of the public service, constitute one of the best barometers of the prosperity of the country. If the minister has closed the door, so to speak, and instead of estimating a revenue of $34,000,000, estimates $300,000 more than we received last year, notwithstanding that the increase in postage had been in operation only seven months, whereas now it will be in operation for a full year, then I claim that under these conditions the hon. gentleman, not by word of mouth but by the submission of facts, proves the inability of the present government to meet the situation as it is developing in Canada to-day.

Upon the same basis the minister estimates the excise duties to be $45,000,000, or a falling-off of $3,688,000. There is in the budget nothing to show that there is an increase of taxation in excise duties and therefore I take it that the Minister of Finance is basing his estimate of revenue upon what took place last year. And what do we find? We find that his estimate of the revenue for 1932-33 is $3,688,000 less than the revenue of 1931-32. Here is another evidence of want of confidence on the part of the Minister of Finance and his colleagues in Canadian industry and Canadian return to prosperity. Why should there be such a large falling-off if the minister is otherwise convinced? Take excise taxes last year. Under the operation of the increased taxation, excise taxes last year brought $41,271,000. The minister estimates that this revenue, with the increased taxation this year, will bring $70,000,000; that is to say, around $29,000,000 more than the revenue of last year. In other words, the taxation which bears heaviest on the masses of the people the minister tells us will bring in the extra $29,000,000. I wonder whether the minister is thinking of using this excise tax in order to cover up the loss of revenue from imports, a form of taxation, if you wish to call it so, which weighs correspondingly on everybody who has purchasing power. The excise and other taxes under that heading fall unreasonably upon the masses of the people.

I shall now take up the income tax. Again basing his calculation upon the system of last year and the amount of business done, the Minister of Finance stated that the expected revenue for the current year was $48,000,000. No increase in taxation took place last year but there was actually collected $61,000,000. The estimate was that $63,500,000 would be collected, and that was the only estimate made by the Prime Minister which came anywhere near the mark. In the face of a revenue last year amounting to $61,000,000, in the face of increased income taxes, this year the minister budgets for only $48,000,000. Surely the minister must have some reason for making this estimate, and I shall be obliged if he will give it either when closing the debate or in committee.

The other day I heard Sir Josiah Stamp speak at the luncheon given by the Prime Minister. After hearing his magnificent speech, I was proud indeed that I had been invited. In dealing with discouragement and encouragement, Sir Josiah told of a visit which he had paid to the United States and said that the one thing he noticed was that public men seemed to be losing faith in their institutions. Had Sir Josiah Stamp been able to listen to the Minister of Finance deliver his budget address, I feel sure he would have applied those same words when speaking of the Canadian government. When we criticize we are told by hon. friends opposite that we are preaching blue ruin and pessimism, but if ever there was evidence of blue ruin and pessimistic feelings, it is to be found in the present budget and in the methods adopted by the Minister of Finance to try to balance the finances of this country.

I have given the reasons why I believe the budget could have been fully or at least nearly balanced without the imposition of this heavy taxation. In view of the figures given, have I not the right to ask: Where is that increased home market promised by the Prime Minister and which was to stimulate to such a great degree the internal business of Canada? Where are the new foreign markets into which he was going to blast a way for Canadian products of all kinds, and which together with the increased home market was to put an end to unemployment? Where is that great market for our agricultural products, to create which he was going to make the increased tariff fight for the farmer? The Prime Minister's increased tariff has failed to fight for the farmer and now the government comes along with increased internal taxation, perhaps in the hope that it will do some fighting for the farmer. I am afraid the only result of the fight will be to put the farmer out of business and keep him out of business just as long as this government is in power.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. ROBERT GARDINER (Acadia): Mr. Speaker, before I begin to discuss some of the proposals upon which I desire to say a few words to-night, permit me to take this opportunity to congratulate the Minister of Finance (Mr. Rhodes) upon his splendid presentation of the subject matter which he laid before the house last week. Realizing that he has been occupying his present position for only a short time, and taking into consideration also the immensity of the task under present conditions, I think it is quite proper at this stage to congratulate him upon his excellent presentation. It does not follow, however, that I agree with everything in the budget proposals, but I shall come to that later. The subject matter really before the house is the amendment moved by the hon. member for Shelburne-Yarmouth (Mr. Ralston), with which I propose to deal later in my address, because it appears to me that a statement from this corner of the house should be made concerning it.

The subject matter of the budget is, as was stated by the Minister of Finance, discussed under five headings. As a matter of convenience not only to me but to the house generally, I shall cite them:

1. A brief reference to events which have so profoundlly disturbed international finance and the consequent reactions on our own situation.
2. The financial operations and accounts of the dominion for the fiscal year ended March 31, and in this regard it will be understood that the figures are not final but represent the closest estimates that can be made.
3. Canada's trade and commerce.
4. The estimated revenue and expenditure for the fiscal year 1932-33.
5. Ways and means for securing the revenues required to meet the estimated expenditures.

Subdivisions 2, 3 and 4 do not require much consideration from me to-night. Number 5 is very important, because it provides for ways and means by which the revenues are to be raised, particularly as it takes into account the deficit during the last fiscal year. But I should like for a few moments to discuss subdivision number 1, which deals with the breakdown of international finance and the consequent result upon conditions as we have them in Canada.

There is no doubt that international finance plays such an important part in the welfare of nations that we cannot avoid taking it into consideration. It would appear, however, that at present no country is taking any measurable steps to control international finance in order that we may eventually emerge from the conditions from which we are now suffering. Unfortunately for the Minister of Finance, in dealing with that particular phase of our economic problems, he did not even intimate to the house or to the country that the government was looking into this matter very seriously to see if it be possible for the government or parliament to take action having for its purpose the clearing up of the international exchange situation so that trade between different countries may flow more freely than it is now doing. If the govern-

ment is not paying heed to this important question, it is evading a serious duty, one which the government of every civilized country should undertake if we are to try to prop up the present economic system which is on the verge of total collapse. As I stated before, the government has given no intimation whether it is considering this matter, let alone whether it proposes to take action for the purpose of dealing with it. If the government is not doing this, it is evading a very important duty and responsibility.

Without doubt we are to-day in the midst of such a depression as we have never before experienced. It has been prolonged, to such an extent, indeed, that many people now feel there is no hope of recovery. I am, however, optimistic about the situation—not so optimistic that we shall be able to prop up this system so that it will function more efficiently than it is doing at present, but as regards the welfare of the masses of the people I can see a decidedly optimistic outlook when one considers the possibilities within our grasp. On many occasions we have discussed both in and out of the house our valuable heritage in natural resources, a matter which, so far as Canada is concerned, is one for congratulation. Very few countries on the face of the globe have to-day such a wonderful and varied heritage in natural resources as we have in Canada. It is true we lack some that we need, but on the whole we have a tremendous number which can be used to provide all our staple necessaries of life. That being so, the people of Canada are in a very happy position if only we have the intelligence to make proper use of those natural resources. Furthermore, we have in this country, in proportion to population, an industrial plant second to none in the world. It is true in other countries there may be industrial plants that are larger, but for the immediate needs of the Canadian people we have more than sufficient of plant and equipment to utilize our natural resources so that every man, woman and child in Canada may be made comfortable by being provided with all necessary food, clothing and shelter. Given these two important factors, why is it that to-day hundreds of thousands of our people are on the verge of starvation? Why is it that we have to provide sustenance through governmental and charitable agencies in order to keep people from starving? It would appear from these facts that our system has failed adequately to provide the people with what they require, and that we must give some consideration to that problem if we are to avoid disaster. Before I have finished I hope to be able to place some proposals before the house which may be of value in this direction.

Another matter that is of grave importance is the debt situation. We probably hear more discussion to-day about external debts than internal debts, but in my judgment our internal debts are just as important as are our external debts, and unfortunately these internal debts are growing and no doubt will continue to grow just so long as we work, at least in part, under the present economic system. The interest upon the national debt, for instance, which was created because of the war, has amounted in the period between the close of the war and the present time to practically the total principal of the original debt, and we have not reduced that debt by one iota. There is a problem that should engage the attention not only of members of this house but of the people of Canada, and more particularly that class of people who are interested in social matters, in order that we may devise ways and means not only to pay the interest charges on this debt but to reduce the debt from year to year so that it will eventually be wiped out. When it is remembered that a sum of money invested at five per cent and the interest reinvested every six months will double itself in fourteen years, it will readily be agreed that the statement I made a few moments ago with regard to our national debt is approximately correct. I may be a little out, but not very much; that is to say, we have already paid in interest charges on the war debt a sum almost sufficient to pay off the war debt itself provided we had not had those interest charges to pay. It would therefore appear to me that there are many fundamental defects in our economic system.

I was glad indeed to listen to the address which my good friend the Minister of Trade and Commerce (Mr. Stevens) made to the house last night. May I congratulate him on the manner in which he discussed some of the questions he brought up, and more particularly that of price levels and that of interest rates? If I may be permitted I should like to quote just one sentence from his speech of last night and then to make some comments upon it. At page 1910 of Hansard of yesterday the hon. Minister of Trade and Commerce said, speaking of interest charges:

> No agriculturist, no industrialist and no merchant can afford to pay ten per cent interest for the money he uses in his business; it simply cannot be done; normal business will not permit of that rate of interest.

You will notice that the Minister of Trade and Commerce stated that ten per cent was too high a rate of interest for agriculturists and business men to pay. That is quite true, but I wondered, when I heard the Minister of Trade and Commerce make that state-

ment, why he placed at ten per cent the rate which it was too high for agriculturists and business men to pay. Why did he not, for instance, say five per cent?—because under our present financial system, in my judgment it is almost as hard—I will go further and say it is just as impossible—for any agriculturist or business man to pay five per cent for money as it is to pay ten per cent and hope to keep away from the creation of debt. That we probably can never do. I appreciate the fact that the Minister of Trade and Commerce has given this matter consideration, and I think it would be in the interests of Canada as a whole if both members of the house and the people outside gave this question more study than we have been giving it in the past. My judgment is that any interest rate which is higher than the actual cost of the service can never be paid in full. It creates a debt which can never be paid under our present financial and economic system. If we were to take the time to analyze the situation I believe we would find that that statement is absolutely correct. Under our present financial system when our institutions lend money, particularly our banks and especially those banking institutions which are responsible in the first instance, for permitting money to go into circulation, if they charge a rate of interest that is above the cost of the service, I submit that we are creating a debt which can never be paid off; in order to meet those obligations in the past we have simply had to borrow more money to pay the interest which could not otherwise be met. Such is the nature of our present financial system. In the cost of the service in so far as our present banking system is concerned I include office costs, salaries, rentals, taxes, and even dividends to shareholders. I submit that when the interest rate to be charged to the customers of our banking institutions goes above that cost, we create a debt which can never be repaid under our present financial system. That is the main reason why our debts are growing and will continue to grow and accumulate just as long as we retain the particular financial system that we have at the present time.

Hon. members may ask, what are you going to do about it? My judgment is that there is only one remedy for that condition, and when we do remedy it we shall begin to make an inroad into some of the other conditions which arise out of it but do not seem to be closely connected with it. The only system I can see that would be effective would be the nationalization of credit and currency to be used in the interests of the Canadian people, with the Canadian people having the use of that credit and currency on a basis of cost—because it would make no difference, even if we did nationalize the credit and currency of this country and made it a government monopoly, if the interest rate was higher than the cost of the service. We would then be in exactly the same position as we are in now, with the exception that the government would be making a profit and the people would become indebted to the government instead of the banking institutions So that even under a policy of nationalization of the currency and credit of this country we ought still to stick to the proposal that currency and credit must come into circulation at all times on a cost basis.

Last night my hon. friend the Minister of Trade and Commerce gave us some very illuminating examples with regard to price levels. He was quite right in stating that the currency and credit system of this country was at fault in so far as our present price levels are concerned. But what can we expect otherwise under our present financial system? The people who run our banking and financial institutions to-day are not considering first of all the welfare of the Canadian people; they are considering the profit which they can make out of their business. And we cannot blame them. Therefore, if my good friend the Minister of Trade and Commerce has any idea at all of being able to control price levels by virtue of the volume of currency and credit in circulation in relation to the volume of goods and services in circulation, then I am afraid he will be very much disappointed at the outcome of such a policy unless nationalization of our banking and financial system takes place before that idea is tried out. Why should the people of this country be called upon to pay interest charges above the cost of the service for the very necessary medium of exchange that is required to distribute goods and services? One would naturally think that with the tremendous productive system we have at the present time, and the tremendous demand for the goods of this productive system, one of the things essential both to producer and to consumer is a medium of currency which will flow equitably and ensure that these goods are properly distributed. And when we put our finger on the profit which those make who are engaged in permitting money and credit to come into circulation, we put our finger on what is the most important problem of all. I hope my good friend the Minister of Trade and Commerce will follow up his studies still further, and that next session he will have seen the light just the same as we in this corner of the house believe we see it, and

that we shall have his assistance in advocating and demanding the nationalization of our banking and currency system.

Other things besides the control of currency through nationalization are essential to make effective our present productive system. A year ago my good friend and colleague from Wetaskiwin (Mr. Irvine) placed before this house a plea for national planning. I submit that one of the most important things after nationalization of the currency of the country is national planning—planning with the idea in our minds of providing the Canadian people with all the necessary food, clothing and shelter which they require from the natural resources of the country by our present machinery of production. Some system then, of national planning is essential, and the sooner we start on the job the better in my judgment, because if we do not do so, and if this depression continues, there is no telling where humanity will land by reason of our inability to plan nationally to take care of the interests of our people. Therefore I suggest again that it would be well for the government to take into consideration very seriously the creation of an economic research council such as was advocated by my hon. friend from Red Deer (Mr. Speakman) in the resolution which he placed before the house this session, and which was half-heartedly accepted by the Minister of Trade and Commerce on behalf of the government. Such a research council to-day is absolutely essential, a council composed of the best brains of the different elements of this country, men who will set themselves to the task of planning nationally, not in the interests of a few people, but in the interests of the whole Canadian nation in order that eventually we may get away from conditions such as we have at the present time.

I might take a few minutes, Mr. Chairman, to call the attention of hon. members to what might might be termed the development of the capitalistic system. Unfortunately many people in this and other countries think that the capitalistic system has been in existence for many centuries. As a matter of fact it is the shortest lived of any system we have ever had on the face of this globe as far as any records show. It may be said that the capitalistic system had its birth in the discovery of steam and its application to driving the machinery of production. With that discovery the present capitalistic system became possible. Let me say before I proceed further, in case hon. members may misconstrue my meaning, that in my judgment the present capitalistic system under which we are working has done more for the human race than all other former systems combined of which we have any record. The capitalistic system is certainly very efficient so far as production is concerned, but when we come to distribution it falls down, and falls down very badly.

Tracing briefly the history of the development of the capitalistic system, we find that with the application of steam to driving the machinery of production the inventive genius of the human race reached out to produce better and better machinery, so that this machinery to-day is capable of producing more and more than was possible with the machinery of former days, and with less labour. And how well has the human race achieved its objective! To-day we have a machinery of production so productive in comparison to the labour power required that its possibilities almost overwhelm the understanding of the average person. Undoubtedly so far as our present system is concerned there is no question about production. But I want for a minute or two to deal with one phase of the system which in my judgment the Minister of Finance should have given some consideration when he was proposing to this house the ways and means by which the necessary revenues of the public service might be provided. If you study very carefully the development of our present system you will find that in order to provide for the machinery of production the people have to take a certain portion of their consumable goods and turn them into permanent plant and equipment. In the past this has been done by what we call savings. Savings may be composed of profits or of actual savings from salaries or wages, as the case may be. These savings, however, represent purchasing power which the owners do not require to provide them with the necessaries of life. Therefore they have looked around and no doubt found that they could invest their savings to provide new plant and equipment which would be more productive than the plant and equipment used heretofore. That is the method by which we acquire the plant and equipment that we have in this and other countries the world over.

That being so, sir, let us look at the world situation as far as plant and equipment are concerned. Great Britain was the first country to develop the machinery of production to any extent, and very soon those who were making that machinery found they could not sell it all in Great Britain, so they sent it to other countries and exchanged it for whatever those countries could produce, or for money as the case might be. Eventually other countries became industrialized, so that to-day every country in the world, with the exception of three, is highly industrialized.

That is a condition which this country never had to face before. So we have a new problem facing us. Within the borders of each country, with the exception of three, there is enough plant and equipment to provide for the needs of the people living in that country. What then are we to do with the surpluses produced in this and other countries, when other countries are capable of producing everything they require? It is true that in Canada we do not produce rubber or cotton, but we produce more than enough wheat and other commodities which can be exchanged for those goods. Even allowing for the exchange of these surpluses we still have the situation of the world having become industrialized, a condition with which the human race has never had to cope. This is brought to our attention more forcibly than ever because of the depression.

What is the situation in this country? We have noticed recently, that many loans have been floated by the Dominion government, by the provinces and by different municipalities. It is true that they have paid enormous rates of interest on those loans but, sir, if you look up the bank returns you will find that to-day there is more money on deposit in our Canadian banks than ever before in the history of this country. Why is that? It is because the people who in the past made profits or who saved from their salaries or wages cannot under present conditions find profitable investments for those savings. Generally speaking, there are only two sources of investment, either bonds of governments and municipalities, or new plant and equipment in order to produce more goods. Since we have more than ample plant and equipment in this country to-day, and since that condition obtains also in almost every other country, we are faced with the problem of what we are to do with these savings of the people.

It must be remembered also, Mr. Speaker, that these savings represent purchasing power to supply which there are goods already in existence, but just as long as those savings remain in the banks those goods cannot move. Therefore our industrial plants and equipment are slowed down, creating more and more unemployment and making a condition with which we are finding it increasingly difficult to deal. I submit that the Minister of Finance might have taxed those savings into circulation. If he could have devised some method of doing that, probably the depression from which we are now suffering would begin to lift a little, but just as long as those savings remain in our banking institutions, and as long as they are not used for the purpose of providing new plant and equipment in the development of what we might term our capitalist system, I venture to predict that there will be no improvement in the depression now existing. It cannot be done. I have stated on more than one occasion, although not in this house, that if I were Minister of Finance just for long enough to bring in the budget I would take the attitude that under present conditions we are justified in taxing those enormous savings into circulation. I would even go so far as to say that in these days of depression we would permit the people with large incomes to enjoy an income of say $20,000 or $25,000 a year, but that we would take 99 per cent of all above that for the use of the state in order to improve conditions in this country. By virtue of such action the government would put those savings into circulation, through public works and services which are needed in every corner of this country, if it could not be done in any other way. I submit that the Minister of Finance missed a golden opportunity to do a real service for Canada, but I appreciate the fact that, having occupied his present position for only a short time, probably this was a little further than he dared go.

My time is nearly up, Mr. Speaker, and we still have to deal with the matter really before the house, that is, the amendment moved by the hon. member for Shelburne-Yarmouth. I have read and studied this amendment with a great deal of care, and there is at least one paragraph I can support, but the other portions of the amendment I consider very much exaggerated. Consider the last paragraph, for instance:

> That a reversal of the present fiscal policy in relation to customs tariffs and an immediate resumption of parliamentary direction and control with respect thereto are essential to a revival of trade, and improvement in business, and to the ultimate return of prosperity in Canada.

I assume the hon. member, speaking for the party he represents, suggests in that paragraph that we should go back to the fiscal policy in effect at the time of the last general election. May I direct attention to the fact that this depression started before the previous government went out of office, so the policies which they advocate in this paragraph appear to me very weak so far as their ability to meet the present depression is concerned. If these policies, in which no doubt they firmly believe, are as effective as they are claimed to be, why were they not effective in 1930? At that time they were not able to stop this

depression, and we do know that even before July 28, 1930, the day of the election, we had a tremendous unemployment problem facing us. I do not know whether or not I am to understand from this amendment that this is the only policy suggested by the Liberal party to meet the present condition of depression; if it is, then I say it is totally inadequate to meet the situation. So, while as I stated before there are one or two statements contained in the amendment with which I quite agree, I think the policies suggested by my hon. friends are totally inadequate.

Representing an agricultural constituency, Mr. Speaker, let me say that I will always support lower duties on goods coming into this country. The primary producers cannot benefit from tariffs; that has been clearly demonstrated in the last two years, and we have only to consider some agricultural commodities to realize the truth of that statement. Furthermore we must always remember that the primary producers are the ones who create the new wealth which Canada enjoys each year. Under those circumstances, therefore, I will always vote for a lower tariff in order to reduce the production costs of the primary producers of this country. To that extent I will go, and I shall always be in that position of being able to support such a policy. But after all is said and done, I maintain that even that is not sufficient to overcome the depression which we are passing through at the present time. Something more drastic, something more fundamental is required than is contained in the amendment moved on behalf of the Liberal party in this house. Being unable, then, to accept the amendment, I am going to move a subamendment. I move, seconded by the hon. member for Winnipeg North Centre (Mr. Woodsworth):

That all the words after the word "that" in the said proposed amendment be deleted, and the following substituted therefor:

Whereas, in Canada there exists an ample supply of natural resources to provide for all primary needs, and

Whereas, we have developed an efficient industrial machine capable of producing more than sufficient of the requirements of our people, and

Whereas, notwithstanding this our external and internal debts are increasing enormously—large numbers of our citizens are in dire need and exist through governmental and charitable relief, and a large proportion are faced with declining purchasing power involving a lowered standard of living, and

Whereas, in our opinion these conditions are attributable to fundamental defects in the present economic system, and

Whereas, it is therefore necessary that parliament, the agency with the widest legislative powers, should take the initiative in the task of reconstructing national production and consumption with a view to the widest possible use of commodities on a basis of human needs, and

Whereas, the control of finance is a basic element in such reconstruction, affecting as it does industrial plant establishment and development, the distribution of goods and the price level of goods and services.

Therefore be it resolved, that in the opinion of this house, as a first step towards general economic reconstruction, our financial system should be nationalized, and provision be made to issue immediately sufficient money to bring the value of the dollar as speedily as possible to that point at which the major portion of our debts were incurred during the war; stabilize the dollar at this point internally and thereafter manage credit and currency issue to secure and maintain a stable price level within Canada.

Mr. J. A. SULLIVAN (St. Ann): This is my first address in this house—

Some hon. MEMBERS: Hear, hear.

Mr. SULLIVAN: —and I am certainly very much impressed by the applause I am getting from the other side.

Mr. MERCIER (St. Henri): Your policy is wrong but you are a good fellow.

Mr. SULLIVAN: After listening to masters of rhetoric and dialectic I was reluctant to address the House of Commons, but this wonderful reception is certainly heartening. It brings to my mind a comment I read a few days ago by a French author upon another house of representatives of the people. Describing the play of passions and prejudices there, he ends by saying: "Car chaque jour on se plonge dans un bain de haine"—"For each day they plunge into a pool of hatred." No doubt the author has drawn upon his imagination and perhaps upon his resentment for these words; but one thing is sure, and that is that the description certainly does not apply to the House of Commons of Canada. We may sometimes have had displays of passion, but on the whole we work together in perfect understanding and harmony for the happiness and prosperity of our fellow citizens.

May I be allowed to say a few words about the division which has honoured me with its vote? St. Ann is the oldest division on the island of Montreal. On its shores three centuries ago Chomedy Maisonneuve founded Ville Marie, and his monument, erected in the very centre of the division, speaks of his heroic deeds. St. Ann is the headquarters of finance, of railways and shipping in Canada, and we also boast three most important newspapers, the Montreal Star, La Presse and Le Canada. But we boast more particularly of the mutual understanding which exists between the different races that compose the

division and which are an example to the rest of Canada of what we must do to make of this dominion a great nation.

We are now discussing the budget. The other day we heard the Minister of Finance (Mr. Rhodes) in this great pronouncement which the nation has accepted, and on Monday we had the pleasure of listening to another very distinguished member from the maritime provinces, my hon. friend from Shelburne-Yarmouth (Mr. Ralston). I have always had a great deal of admiration and esteem for the hon. gentleman, especially since he has chosen to have his office in St. Ann division. He proceeded to criticize the budget, and he did so by comparisons all along the line. He spoke of the conversion loan, credit for which the Minister of Finance had given the Prime Minister. The hon. member for Shelburne-Yarmouth would not give him any consideration. He said that the people of Canada made this conversion loan possible, that in fact 50,000 people in this country subscribed amounts of less than $1,000. Sir, this is the greatest compliment that could come from the people to the Prime Minister of Canada, because in subscribing as they did they expressed their loyalty to their country and their faith in the Prime Minister.

The hon. member was scandalized because we had voted $20,000,000 at the last session and because we were responsible for the spending of $140,000,000 to relieve the unemployed. During the last election, I said, as many others did, that we had spent hundreds of millions to save our allies. We said we were ready to spend millions to save our own kin, our own Canadians; that is what we did and that is what we are ready to continue doing.

In order to understand the feelings of the people it is necessary to have their opinions. I have before me clippings from different newspapers in Canada, and I find that La Presse, which cannot be considered to be a Conservative paper, says of the budget "le budget est bien accueilli." La Patrie says that this is the best budget given to Canada in many years. Sir Charles Gordon, president of the Bank of Montreal, has stated that the government has taken the best step possible under the present circumstances. Mr. John T. Foster, president of the Montreal Trades and Labour Council, says that this is a commendable attempt to balance the budget and is pleased to note the new surtax on incomes. The Conservative party, which has always been accused of being a friend of the big interests and corporations, is commended by the president of the Trades and Labour Council. Mr. Beaudry Leman, president of the Banque Canadienne Nationale, a very distinguished gentleman who is perhaps not a Conservative, says that this is a courageous budget. Mr. John Irwin, president of the McColl-Frontenac Company, says that it is a good budget and should serve its purpose.

I have stated before that my constituency is the headquarters of navigation in Canada. The Gibb report has been tabled by the Minister of Marine (Mr. Duranleau), and I presume this important document will be discussed at a later date. It is very important that the questions affecting the St. Lawrence river should be studied. In 1825, after the completion of the Lachine canal which completed the waterway between Montreal and the great lakes, the government in deciding to make a deep water seaport of Montreal arranged to dredge a channel in the St. Lawrence river 14 feet in depth by 150 feet in width from Montreal to the sea. In 1850 the citizens of Montreal took it upon themselves to make this channel more suitable to the shipping needs. The government refused to guarantee the principal or interest on the bonds and the commissioners had to borrow money from the public in order to provide the proper facilities for shipping. It was only in 1889, after many protests had been made, that the government decided to take the matter in hand and work was proceeded with until 1910. In that year the government decided to dredge the channel to a depth of 35 feet and increase the width to 400 feet and although the work has been proceeded with up to the present day, it is not as yet completed. The sum of $34,000,000 has been spent on this work, which includes $13,000,000 for equipment, and over $200,000,000 has been spent by the government on the different canals between the great lakes.

There is no question as to the advantage of having large vessels coming to Montreal. This city is the greatest transfer point between the central states, where there are fifty millions of population, and European countries. But Montreal has lost this trade and something should be done. I appeal to the Minister of Marine to complete the channel between Montreal and Quebec, because every improvement made for the benefit of the port of Montreal is an advantage not only to the city of Montreal but to the whole of Canada. Because of the non-completion of this channel the rates of insurance on vessels coming to Montreal are more than double those charged on vessels going to New York. Based on the number of boats and the tonnage handled, this additional insurance amounted last year to more than $3,000,000. This is a tremendous

discrimination against the harbour of Montreal and prevents many boats from using the St. Lawrence river route.

The speaker who preceded me stated that the economic system of Canada must be wrong, but what about that of other countries? It has been stated repeatedly in this house that unemployment this last year was worse than it was two years ago. Unemployment may be bad in Canada, but there is no gainsaying the fact that the present government has done everything possible to relieve this condition. The hon. member for Shelburne-Yarmouth has proceeded by comparison. May I be allowed to proceed by the same method? What is the difference, as regards unemployment, between Canada and other countries in the last two years? I have under my hand some figures which came from the organ of the American Federation of Labour in the United States, and the figures for 1930 and 1931 are, in round numbers, as follows:

Country	Year	Number of unemployed
Germany	1930	4,300,000
	1931	5,600,000
Australia	1930	104,000
	1931	118,000
Denmark	1930	74,000
	1931	91,000
Great Britain	1930	1,853,000
	1931	2,262,000

The mother country, where they have the dole, where they had a Labour government for so many years, and where they passed all possible labour legislation which may be invoked and which our good friends in the far corner opposite are trying to put on the statute books of this country, had 1,853,000 unemployed in 1930, and just one year after, in spite of all this legislation, in spite of the socialist government in power at that time, the number of unemployed had increased to 2,262,000.

Country	Year	Number of unemployed
United States	1930	5,000,000
	1931	8,000,000

A number almost equal to the population of Canada. Unemployment is a universal condition; it exists not only in Canada but in every other country in the world, and so long as we are willing to devote our best attention and energies to the solution of this problem, no one can say we are not working in the best interests of Canada and of our unemployed.

In the course of the last election we were asked: Whom are you going to send to the imperial conference? The people of Canada gave us their confidence and we sent the present Prime Minister (Mr. Bennett). During the election campaign he had toured the country, saying "Canada first," not in the narrow sense that Canada would not trade with any other nation, but broadly. He went to the imperial conference and there, in the face of all England, he repeated those same courageous words "Canada first." Was he wrong when he was giving interpretation not only to his own sentiments and those of Canada, but to those of Australia, New Zealand, the Irish Free State and every other member of the British commonwealth of nations? Is it possible that only the opposition and Mr. Thomas were right, and that all the others were wrong? The Prime Minister said "Canada first." Mr. Thomas said "humbug." The Prime Minister returned to Canada and the leader of the opposition (Mr. Mackenzie King) said "humbug." Every member of the loyal opposition said "humbug." What has been the result? Was this a political slogan? No, it was an economic rallying cry. If it had been a political slogan, the people of England, who are essentially politicians, would not have accepted it; it would have fallen of itself. The result was that within one year there was a change of government in England. The further result is that the imperial conference will sit in Ottawa in the month of July and that this city will be the capital of the world for one month. The Prime Minister has been compared with many men. The dictator of Italy has been compared with him, and this was a great honour to Mussolini.

I do not wish to speak about the imperial conference, as it is a thing of the future, but I have great hopes of it. One sure thing is that the Prime Minister has been doing well for this country. I am sure the judgment of impartial history will be that the Prime Minister of Canada has deserved well of his country and of the British Empire and that he was one of the great men of the world.

Mr. J. L. BROWN (Lisgar): Mr. Speaker, in the course of this debate hon. gentlemen have said many things to which one would naturally wish to reply, but it would be impossible for everyone to deal fully with the matters upon which he might desire to make comment. I am sure it will be generally conceded that the Minister of Finance (Mr. Rhodes), in his presentation to the house some days ago of the economic condition of the country, discharged his duty in a highly creditable manner. It could not have been an altogether pleasant task to present to the house and to the people the condition in which Canada finds herself at the moment,

nor do I imagine that the minister took any keen delight in announcing the new measures of taxation which he deemed necessary. However we may differ as regards the policies that have been pursued by the government, although we hold that the difficulties in which they are involved are largely of their own making, still we would be less than human if we did not manifest some sympathy for those who are now floundering in a morass. We can therefore very well afford, without relieving the government of any of its responsibilities, to congratulate the Minister of Finance upon the manner—and I say only the manner—in which he discharged the very onerous duty that his position imposed upon him.

The discussion of the general financial condition of the country has already been dealt with from this side of the house by one more capable than I, and let me extend to the hon. member for Shelburne-Yarmouth (Mr. Ralston) my hearty congratulations for the manner in which he performed the duty that was laid upon him by his party. The special resolutions of the budget I think we can perhaps best deal with when the Speaker has left the chair and the house finds itself in committee of the whole. So far as the budget speech itself is concerned I shall content myself with referring to a few salient features which I think call for some comment, and perhaps it will be indicated in the course of my remarks that I heartily approve of the amendment which has been moved by the hon. member for Shelburne-Yarmouth. Before dealing with that phase of the subject I wish to take a few moments to discuss a matter which was referred to yesterday by the hon. Minister of Trade and Commerce (Mr. Stevens).

The hon. Minister of Trade and Commerce undertook at one point to give us a lecture in the kindergarten of economics. He showed that the revenue of the country, collected as it is under our system by a series of indirect taxes, must necessarily reflect the condition of trade in the country. If he had left it at that he would have been wise, but after emphasizing that very elementary fact he went on and intimated that the members on this side of the house had frequently asserted that the true test of the burden laid upon the country was not the rate of taxation but the actual amount that was raised. He had listened to many speeches in the house, he said, in which that position was asserted.

Here are his own words:

> Mr. Stevens: If it were possible to do so briefly, and if I felt warranted in doing so, I might remind my hon. friends of how frequently in the past they measured the burden of taxation upon the people of Canada by the amount of revenue raised through taxation.
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> Mr. Brown: Oh, no.
>
> Mr. Stevens: Oh, yes. When it suits their argument hon. gentlemen opposite frequently state that the rate of taxation is measured by the revenue produced or collected from the people. In my long experience in this house I recall having heard that argument frequently.
>
> Mr. Brown: That came from hon. gentlemen opposite.

With the Minister of Trade and Commerce I can say that in my long experience in this house I recall having heard that argument frequently, but invariably it was from those who now sit on the government side of the house and never from those on this side. Having made that statement, the obligation rests upon me to prove that what I say is true. I go to the Hansard of 1927, where at page 396 of Hansard I read these words of the present Prime Minister (Mr. Bennett), who was then simply the member for West Calgary:

> But that is not all. Let us take the figures and consider them in the light of the statements made by the minister himself. In 1925-26 the Department of Finance shows that there was taken in customs duties as taxes from the people of this country the sum of $127,355,000 in round figures; this year the amount is $141,500,000—an increase of $14,144,000, or $1.50 for every man, woman and child in this country, which represents, Mr. Speaker, an average of $7.50 for every Canadian family. That is the reduction in taxation enunciated by the hon. Minister of Finance!
>
> But that is not all. With respect to excise duties as distinguished from excise taxes, we find that for the year ended March 31 last there was taken from the Canadian people for these duties $42,923,549.03, and this year there has been taken from them $47,500,000—an increase of $4,576,450.97, equivalent to practically 48 cents a head for every man, woman and child in Canada.

It was in vain the Finance minister of that day pointed to the large revenue which was flowing into the coffers of the dominion. The revenues were buoyant, he said, because trade was flourishing. In that same budget debate I felt it incumbent upon me to correct that fallacy of the hon. member for West Calgary. I said:

> I have been amazed at some of the fallacies—

I am not so easily amazed as I was then:

> —to which utterance has been given during the debate by some hon. members opposite, from the first hon. member who spoke, the hon. member for West Calgary (Mr. Bennett) almost down to the last. It was urged upon us that taxation had not been reduced, and elaborate figures were produced to show that such was the case.

I need not read all that I said on that occasion. I simply pointed out the very

obvious truth which the Minister of Trade and Commerce himself pointed out yesterday.

The Minister of Justice (Mr. Guthrie) is the one who generally suffers from these references to the Hansard of old days. In his criticism of the budget of 1929 he said this:

> Now this is where the precise language in his budget speech fitted in so well. How careful he was when speaking on taxation to use these words:
>
> "The rate of taxation has been reduced."
>
> Well, even that statement was not true before Friday last, but who cares about the rate of taxation? The rate does not count. The only thing that counts in this world in regard to taxes is the burden of taxation.

Then he went on to quote Mr. Gladstone—not very pertinently I think, because Mr. Gladstone was speaking of an entirely different set of circumstances, and I think the hon. Minister of Justice misquoted from Mr. Gladstone.

May I also quote from my speech of last session when I said:

> Something else upon which I would congratulate the Minister of Finance is that he has evidently come to a recognition of the fact that the volume of revenue does not necessarily depend upon the rate of taxation, or at least that the rate of taxation is not the only factor in determining the volume of revenue.

Further on I said:

> As I have said, the Minister of Finance has evidently learned, speaking generally, that all he is able to do is to fix the rates of taxation, for the volume of taxation will be determined by the amount of business that is done when those different rates are in effect.

I trust now that we have heard the last of these very foolish arguments that we listened to in the last parliament, and I hope that when we have a government in power again with the revenues of the country buoyant, brought about by expanding trade, we shall not hear those foolish arguments from hon. gentlemen opposite.

In reference to the reduction in customs duties, the Finance minister in his budget speech the other day said that the customs duties had been reduced in the last fiscal year to $102,891,000, or about $29,000,000 less than in 1931, and $84,000,000 less than in the peak year of the last five years, in 1928-29. He said this was due in part to the encouragement given to the production of goods in Canada. I do not know whether the Minister of Finance holds the extreme views, I might almost say the fanatical views, of the Prime Minister in regard to protection. On two occasions I have asked the Prime Minister how certain changes he proposed to make in the tariff were going to affect revenue. His answer was something like this—quoting Henry George as authority: When it was a matter of protecting Canadian industries the question of revenue was not to be considered. I should like to ask the Minister of Finance whether in view of the reduction in customs receipts, brought about, as he himself has admitted, by the policy of protection, that is the policy of encouraging the production of goods in Canada, he is still prepared to ignore the question of revenue when he proposes increases in the tariffs. That he is not disposed to ignore the question is abundantly clear from the fact that he has added two per cent to import duties. Now, do not let us be confused as to what that tax really means. We call it an excise tax, but it is just as truly a custom tariff tax as the other twenty or thirty per cent. I should like him to explain how he expects to get more revenue from the two per cent additional tax when the hitherto existing tariff taxes have already resulted in a reduction of revenue. That is his own statement. It may be urged that that tax is not high enough to exclude goods that are now coming in under the free list. That may be true. But if it is true, as is the implication of his remarks, that goods are not coming into Canada because the tariff barriers have been raised against them, is it not just as likely that other goods will be added to that class which is now being excluded? So that as to there being any increase in revenue from this new tax that is being imposed, it is a question whether the Minister of Finance will get more than an even break. He may possibly get some increase on those goods that have been coming in on the free list or the one per cent duty of last year, but it is also possible that further goods will be excluded, and to that extent our revenue will be reduced. Certainly that will be the case if he allows his colleague the Minister of National Revenue (Mr. Ryckman) to sit up night and day devising means whereby he can stop goods from entering Canada. I may remark that on a former occasion I mentioned the dilatory tactics of the government when it was a case of allowing some hay into southern Manitoba that the farmers there needed to feed their starving cattle; there was a delay of six months before any action was taken; but when it is a case of increasing the tariff to protect an industry that is manufacturing some trifling article, the government can take action overnight.

The Minister of Finance derives great satisfaction from the fact of a so-called balance of trade. That has been well dealt with by the hon. member for Shelburne-Yarmouth, but I

might repeat a few of the figures. It is said that the balance is now in our favour to the extent of $25,000,000, as opposed to a former unfavourable balance of $70,000,000. I suppose there is no more contentious subject than the true significance of the difference between imports and exports, the excess of one over the other. I do not think the Minister of Trade and Commerce did any credit to himself when he criticized the method by which the hon. member for Shelburne-Yarmouth emphasized the point. He ridiculed it by saying: "You should not say, 'Black is not white,' but you should say, 'White is not black,'" or something of that kind. But the hon. member for Shelburne-Yarmouth was trying to call attention to the fact that this so-called balance of trade was brought about not by increasing exports, but by decreasing imports. Of course, I know from the standpoint of the Minister of Trade and Commerce that that is good policy, because in one of his famous advertisements that he sent out to the papers he wanted to exclude $800,000,000 worth of imports of goods that he said could be manufactured in Canada. However, we cannot agree with that point of view. Certainly it may be doubted whether we have any reason to congratulate ourselves regarding this so-called favourable balance of trade when it is brought about by decreasing our total foreign trade by almost one third. These are the figures given by the Minister of Finance himself: For the eleven months ending February 28, 1931, $1,591,939,000; as against $1,067,602,000 for the same period ending February 29, 1932, or a total loss in our foreign trade during that period of $524,337,000.

The Minister of Finance stated there would be no major tariff changes pending the meeting of the imperial conference. I cannot say that we were surprised by the statement, for the farmers of the country have learned that so far as reducing the burden laid upon them by the tariff that this government has imposed is concerned, they have nothing to hope for. We have to content ourselves with the announcement that the last straw which was to break the camel's back, that is the imposition of a higher tariff on repairs for agricultural implements, has been deferred for another year. Let me say to those who represent farming constituencies in the west that they had better get busy during the next year and make representations to the Minister of Finance so that the application of that higher tariff will be postponed indefinitely. I suppose, however, it is a small measure of relief for which we must be thankful, but the Minister of Finance must not expect us to tumble over ourselves in our enthusiasm for his budget.

Last year the then Minister of Finance (Mr. Bennett) when introducing his budget announced a five cent bonus on wheat. He said it was a compensating adjustment. He would not admit the tariff was a burden, but the Minister of Agriculture (Mr. Weir) has admitted it for him, for in his speech in the early part of this session he said something to this effect; that he had scanned the whole field for possible means of relief for the farmer from the burdens of the tariff, and this was the one that appealed to him. I wonder how the Minister of Agriculture feels now when that small measure of relief is absolutely withdrawn. Does he and do other members from the west representing farming communities feel satisfied with the tariff policy of the present government? I know they do not.

A few weeks ago the hon. member for Marquette (Mr. Mullins) placed on the records of the house a well-reasoned and well-prepared statement of the investment of a farmer on a three hundred and twenty acre farm, including the equipment necessary to work it. I commend that statement to all members of the house. In the list he had one item of $2,500 for farm implements—a modest item for there is no notice taken there of threshing machines or of tractors. But yet the hon. member in the session of 1930, and again in the session of 1931, by his vote endorsed the government that had raised the tariff on farm implements from rates ranging from six to fifteen per cent up to a flat level of twenty-five per cent. Now it is twenty-eight per cent, for I insist again, Mr. Speaker, that that three per cent on all imports must be considered as an additional tariff tax. The biggest internal problem before us to-day is the rehabilitation of the farmer. One of the most prominent farm leaders a few days ago made a statement something like this. He said his father had pioneered on a bush farm in Ontario; he himself had operated the farm for a number of years after that, and now his son was on it, and he stated that the young man is having a harder time to make things go to-day than was the case with either his father or his grandfather.

The question confronting us is this: Are our farmers to be men living on and farming their own land, finding satisfaction in the work of the farm and yet capable of taking an interest in national and international affairs, of enjoying good literature and everything that ministers to the moral, the intellectual and the spiritual life of man, or are

our farmers to sink to the status of peasants, operating rented farms, caring for nothing except the wresting of a bare living from the soil, becoming simply hewers of wood and drawers of water, men with weak heads and strong backs? It seems to me those are the alternatives presented to our farmers to-day, and I am afraid that present conditions will produce a tendency that is all in the latter direction. We hear a great deal said about having turned the corner. There can be no turning of the corner until the farmer gets a crop he can sell at a price that will leave him some measure of profit, and what is true of wheat, our main product in the west, is true of all agricultural products to-day. Every article produced on the farm is being produced at a loss, and there can be no turning of the corner until this is all changed.

Indeed, Mr. Speaker, it may be just at this point that the farmer is faced with his greatest danger. To-day there are many men still on farms simply because the mortgage companies or other creditors do not think it in their interest to put them off. There is no sale for land and it has no productive value. The danger is that with the first sign of returning prosperity the creditors will swoop down upon the farmer and strip him naked. The accumulated obligations of the last three years have become enormous. Even before that time the farmers incurred liabilities which, had prices prevailing at that time remained in effect, they might reasonably have expected to meet at maturity. The result of the drop in prices, as has been stated time and again in this house, has been simply to increase the burdens of the farmers threefold.

So to-day we have our western legislatures discussing the question of debt adjustment. I suppose under our constitution that is a question for the provincial legislatures rather than for this government, but that does not mean there is nothing this government can do. This government can do much to lift the burdens that have been placed upon the farmer, and everything possible should be done to make sure that his cost of production is reduced. I am not unmindful of the fact that Canada is one of the nations of the world, that to-day as never before the world has to be considered as a whole, and that if one nation suffers all nations suffer. It would have been well if hon. gentlemen opposite, during the election campaign of 1930, had kept in mind that fact which they now like to emphasize, instead of going through the country proclaiming that they of themselves were going to take steps which would bring prosperity to Canada. That is the obligation which rests upon this government and this parliament, to see that every possible step is taken to bring about the rehabilitation of the farmer.

I feel that I cannot close without commenting on the reference by the Minister of Finance to the coming imperial conference. His words will be found at page 1768 of Hansard:

> While the world is close knit to-day in matters of trade and finance as never before in its history—and we cannot expect normal or prosperous conditions apart from the general world trend—nevertheless some one nation, or group of nations, must assume the leadership and point the way. To that end an opportunity unique in history is afforded to the British nations, whose representatives will assemble in Ottawa at the Imperial economic conference in July next.
>
> If the delegates who assemble here meet in an atmosphere charged with determination to approach their deliberations from the viewpoint of mutual advantage, there will result measures which will give a marked stimulus to Empire trade.

Those are splendid sentiments, but my fear is that if hon. members opposite adhere to the policies they have followed hitherto those sentiments will evaporate into thin air. I said that I was in perfect accord with what the Minister of Finance said, but perhaps that is hardly correct. He referred to the opportunity as being unique. If by "unique" he meant that there never had been a similar opportunity, I disagree. A similar opportunity was afforded the Prime Minister and the government at the last imperial conference in 1930, but the result was absolute failure simply because of the truculant attitude of the right hon. gentleman. By the application of his blasting policy he led one of England's ministers to describe his propositions as humbug, and humbug they were. It is a tribute to the forbearance and the courtesy of the English people that someone did not say it sooner. That is a thought-provoking statement of the Minister of Finance:

> . . . nevertheless some one nation, or group of nations, must assume the leadership and point the way.

Some trivial circumstance has often changed the whole current of human history; it has been frequently given to nations to exercise an influence upon the affairs of mankind far out of proportion to the extent of their territory or the size of their population. Such was the case with Israel of old; such was the case with Greece. From the little island of Iona off the coast of Scotland, in the early centuries of the Christian era, radiated an influence that left its mark upon Great Britain and Ireland, and which still extends to the remotest corners of the earth. Canada has a

vast stretch of territory. It is true that our population is comparatively small, but we would gladly believe that to-day we are exercising an influence upon the affairs of the world that is not measured by the number of our people. We could wish for no higher honour than that our country should give a lead to the British Empire and, through the British Empire, to the world in all those policies which make for peace, such as disarmament; the breaking down, so far as may be possible, of race and national prejudices; the removal of trade restrictions, the cessation of that insane policy that seeks higher and higher tariffs. Can anyone say that this was the course we pursued at the last imperial conference? Positively no, but the reverse. What was done there was not calculated to make for peace and harmony but for strife and discord.

An attempt has been made to cast ridicule upon the present leader of the opposition when as Prime Minister he expressed concern as to who should represent us at the imperial conference. The result of that conference showed that that concern was well founded. It is still a matter of concern to us, not as to who shall represent us, for we know that, but as to what policy shall be presented at that conference. Is the same course to be followed or is a different attitude to be taken? There is reason to hope, from the statements made by the Minister of Trade and Commerce, that to some extent at least the government have seen the error of their ways. Let us hope that when the conference meets it will be in a spirit of good will.

The hon. member for Shelburne-Yarmouth quoted the closing words of the budget speech of the Hon. Mr. Dunning. I quoted those words on every platform during the last Dominion election. They seemed to me to express, as well as language could express, the attitude which Canada ought to assume at the conference, and I believe that hon. members opposite upon whom the responsibility is cast should study these words and grasp the principles that were emphasized; and when they go to meet our fellow citizens from all parts of the empire I hope that they will go in a spirit of tolerance and good will, so that the result of this conference will bring good not only to Canada and to the British Empire but to the peoples of the world.

Then let us pray that come it may,
(As come it will for a' that.)

That Man to Man, the world o'er,
Shall brothers be for a' that.

[Mr. Brown.]

Mr. B. M. STITT (Nelson): May I begin by congratulating the Minister of Finance on the lucid manner in which he presented his budget to the house, faced with conditions such as have never existed in Canada before. May I also congratulate those hon. members who have preceded me upon the masterful manner in which they have advanced their arguments. I hope the hon. member for Lisgar (Mr. Brown), who preceded me, will pardon me if I do not appear to follow him. I have come to the conclusion that the members of this house and indeed the people of Canada as a whole are tired of rehashed speeches, and I will attempt to develop my own material along far different lines, dealing particularly with my own constituency, and with matters which, while of importance to that constituency, are at the same time of great importance to the whole of the dominion and particularly of western Canada.

It is apparent, from the criticism that has been so far levelled at the Minister of Finance (Mr. Rhodes) and at his budget, that budgets can be criticized for what they omit as well as for what they contain. I have no objection to hon. members criticizing; we expect that it is their prerogative. But I will say this, let them criticize this government and the budget as they will, but one fact stands out, that the balancing of our trade and the bringing of the imperial conference to Canada this year are two of the outstanding achievements of the last quarter of a century. It is obvious, from the arguments to which we have listened, that in the minds of the masses there are two schools of thought. One is that the government in power should embark upon a broad program of public works, pledging the credit of the country to get the money and putting the unemployed to work. Those who take this view believe that such action would reflect prosperity in all departments of endeavour. There is the other school of thought—those who feel that the government should retrench as far as possible, pare its estimates, and sit out the depression. One seems to have about as many supporters as the other, judging by the arguments we hear from one end of the country to the other.

I was rather disappointed to hear the hon. member for Shelburne-Yarmouth (Mr. Ralston) criticize the government for relief expenditures and for the loan of moneys to the western provinces. I am sure that all hon. members in this house, and especially the members from the west, realize the seriousness of the situation out there, the plight which these people find themselves in in these distressed areas. I am also quite sure that, when

requested by the Minister of Labour last fall to make suggestions as to the public works that might be carried on in their constituencies which would furnish employment to those who needed it, there were very few hon. members who did not present a program of public works, including the hon. member for Shelburne-Yarmouth. If all of these projects had been carried out, as suggested by various members, I am informed that it would have taken something like a billion dollars to pay the bill. The government, of course, could not find that much money, and therefore had to go along and try to satisfy everyone as far as it was humanly possible to do so, to the extent of the money they had. I think that in that respect they have done very well indeed. As a matter of fact, if we believe some of the reports that have come in, this feeling is generally shared. The premier of Quebec, a man from whom we can accept criticism, said that he was well satisfied with the treatment his province had received and with the manner in which the relief situation had been handled by this government. That, I think, was one of the greatest compliments paid to the right hon. the Prime Minister in the conduct of this work. Retrenchment is the duty of the day and the hour; no one will deny that. It is a beautiful word. But governments must lead as well as save; they must march as well as fortify; and at the same time they must of necessity originate plans for the future while correcting errors of the past. Now, the question might reasonably be asked: What plans can we originate at the moment? First, to my mind, we must devise ways and means of stabilizing our basic industries. Agriculture, which leads the procession, must be placed on a paying basis. I do not think anyone can argue against that statement. To bring this about we must concern ourselves with finding broader and more profitable markets for the produce of our farms. At the same time we must concern ourselves with lower transportation costs to be brought about by the development of new and existing routes and outlets. In this connection I might refer to the Hudson Bay railway, which means a great deal to the farmers of western Canada, and to the Peace River outlet, which is badly needed and which would open up and develop a great empire. The mining industry, especially in connection with base metals, must be put upon its feet, as it has been hit just as hard as agriculture. Millions of dollars have been invested in Canada in this industry, upon which not one cent is being received in return. Some attention must be paid to the lumbering industry, with which is linked up the pulp and paper industries. All these industries are having a hard time and, as I said before, we must concern ourselves with finding more and profitable markets for their products. If we can solve the problems confronting these three major industries, the rest will follow; the railways will come into their own by virtue of an increased volume of business and the unemployed will be automatically absorbed.

The coming imperial conference may easily bring about the necessary changes. Let us hope that all the delegates to this conference will gather together realizing deep down in their hearts that the destiny of a great empire is in their hands. We are proud to be a part of that great empire and I am convinced that if all those taking part in the conference are prepared to give and take, which after all is of the essence of our federation, much good will come from their deliberations. It may be well for our delegates to realize that it may be necessary, in order to bring order out of chaos, to sacrifice, in part at least, some of our industries. They should enter the conference with that spirit. We all hope that these steps may not be necessary, but we cannot expect to get everything and give nothing in return. May I express the hope that the Most High in His infinite wisdom will so guide the deliberations of the conference that our dream of a united economic empire may be fully realized. Then and only then will sunshine come into the hearts of our people and confidence be restored in this great country.

I was pleased to hear the Minister of Finance intimate that some further provision would be made for the completion of the Hudson Bay railway. I do not need to elaborate on this project, as it has been before this house for many years; both governments have been committed to it and both governments have subscribed to it. While I am dealing with this matter I desire to take exception to the statement made this afternoon by the hon. member for Melville (Mr. Motherwell) when he said that the Liberal government had done practically all the work done on this road. As one who has lived in this north country for something like seventeen or eighteen years, as one who has seen the project develop from almost the time the first sod was turned by the Hon. George P. Graham, I desire to say that in 1911, when the Conservative government came into power, a contract was given to J. D. McArthur for the grading of this road. That winter the piers were put in for the bridge at the Pas and the following summer about 14 or 15 miles of grading was completed. From that time until 1918 or 1919 the Con-

servative government completed 356 miles of the road, as far as the Limestone river, including the necessary bridges. From that time, until the Liberal government came into power, the grading was completed into Port Nelson and finally the Hon. Mr. Dunning with great vision and courage changed the terminal from Port Nelson to Churchill. I am fair enough to give Mr. Dunning credit for taking that action; I think his move in that direction deserves the commendation of every hon. member and in fact of every man, woman and child in western Canada. The Liberal government completed the road up to mile 511 and started the harbour work. That government did a good deal of the underwater work at the docks, it let the contract for the elevator, did considerable back-filling in the yards and had made a good start towards the completion of the road when the government again changed. The present government completed the elevator, finished the yards and the docks and last fall was able to ship out two cargoes of grain. I should like to correct that statement made by the hon. member for Melville by saying that this road has been built by both governments on a fifty-fifty basis.

I had not intended to refer at this time to the Hudson Bay railway, but in view of certain articles which have appeared in the eastern press attacking this project I feel it my duty to take a few minutes of the time of the house in making a reply. I refer particularly to an editorial which appeared in the Ottawa Journal of February 15, 1932, under the heading "Speaking of Economy". It reads:

Six million dollars voted last year. Six million good dollars thrown after 46 million bad dollars. Some of our portentous politicians who are talking about economy would be a little more impressive if they hadn't talked just as eloquently for this Hudson Bay railway.

And again:

And to what end? Well, last fall Mr. Manion, Minister of Railways, informed western farmers that if they wished to have their grain shipped to the Churchill elevator they would be given free storage, and not a bushel was shipped. Not a pound. And this was the great grain route that was to put western Canada on the map.

The Minister of Railways did make such a proposition, but it was made to the grain men, the elevator men and the pool men, not to the farmers of western Canada. It would not have been possible for any farmer to make his individual shipment to that elevator because the facilities were not there to handle such shipments.

An article appeared in the Financial Post of February 13, under the heading "Hudson Bay Line Takes Interest Toll." After going into the financial aspects of this road, the question is asked: When is this road going to pay interest on this money invested? The same question could be asked in connection with the St. Lawrence waterway, the Montreal harbour, the Quebec harbour, the maritimes harbours, the Welland canal, upon which hundreds of millions have been spent, and the Canadian National Railways. It is rather unfair for such a paper as the Financial Post to pick out the Hudson Bay railway and to ask when it is going to pay interest, when in fact the road is not fully completed and in operation. I do think articles such as that will do very much to solidify Canada. This is another article appearing in the Winnipeg Free Press of October 6, quoting a Quebec paper, L'Evenement:

To inaugurate a port at Churchill, the Canadian government has spent practically $150,000,000.

I do not need to take the time to read the rest of this article, but I should like to say that L'Evenement has multiplied by three the sum of money expended on this project, and it might at least be fair when using figures and discussing the project. I have under my hand another article, which is rather a rich one, in respect to the two grain boats that made the voyage in there last year:

Tyne vessel's pioneer voyage. First cargo to an ice-bound port. Saving of 6,000 miles.

Another gross exaggeration.

Another romantic page in the history of Tyne commerce will be written a fortnight hence, when a Newcastle steamer will drop anchor in the harbour of Port Churchill, the new port on the shores of Hudson bay, and embark the first cargo of grain sent overland across the Rockies from Vancouver.

Rather hard on Vancouver.

She is the Farnworth, owned by the Dalgleish Steam Shipping Company, of Newcastle. To the Farnworth will go the honour of loping 6,000 sea miles off the present-day route, and changing the whole trend of grain transhipment. Almost a month will be saved.

A strange and hazardous voyage lies ahead of the thirty-five Shields men who form the crew of the Farnworth.

Port Churchill is one of the loneliest outposts of civilization. There is no welcoming town, not even a village. Just a trapper or two, a few Eskimos, and eternal snow. For ten months out of twelve the approach to this little port is ice-bound.

The Farnworth will berth alongside a warehouse in which is stored the grain brought from the rail-head.

As soon as loading is completed she will steam back to England. The barren nature of this little town is illustrated by the fact that provisions and bunkers for the return journey are being taken on board while the vessel is lying at Harton Staiths, South Shields.

The nearest shops or cinema to Port Churchill are hundreds of miles away, and there is not a coaling station within a thousand miles.

Captain W. Mouat, of South Shields, is in command of the Farnworth.

The vessel is going in ballast to Port Churchill, and will bring back 7,000 tons of grain to the United Kingdom.

An immense field of stationary ice imprisons Port Churchill all the year round, with the exception of September and October. This autumn the Canadian government, in conjunction with the railway company, are trying the experiment of loading grain from Vancouver at Port Churchill, as an alternative to the sea route by way of the Panama canal.

I might tell hon. members that this is not from a Montreal paper, although the captain of that boat informed me he had heard around Montreal very much worse tales about Churchill than this paper reveals. This is from the Evening World of South Shields, Newcastle-on-Tyne, England, of August 26, 1931. These are some of the weird statements that are being made about this port that means so much to western Canada. In the west we had hoped we had heard the last of these venomous attacks on the part of the press which have no doubt been inspired by the same sources that have sought to destroy the project from its inception. I was of opinion that the demonstration of last September would be sufficient when the Farnworth and the Warkworth, two ordinary tramp steamers, not built with steel protected bows, as it was said they would have to be constructed in order to enter the strait or bay, made the trip from Churchill and Liverpool and Antwerp in fourteen days. In order that the value of this feat may be appreciated, I shall add four days for railroad transportation from Saskatoon or Regina; and thus it is evident that wheat or other products of the soil, or live stock, can be landed in British or other European ports within twenty days of the loading of cars at points in the Canadian west, and with only one handling. The better to illustrate the value of this feat, I might refer to two cars shipped from, say Saskatoon, one by the Churchill route and the other by the St. Lawrence route. The cars for the northern route can be unloaded into a ship at Churchill, which is at tidewater, as soon as and perhaps sooner than the contents of the second car can be unloaded into a ship at Fort William or Port Arthur. The two shipments thus start at Churchill and Fort William or Port Arthur at the same time. Which one reaches the European market first? The answer was always evident to those whose eyes were not blinded by prejudice, but it comes now in a form that cannot be challenged, because a boat can make any port in the British Isles as quickly from Churchill as from Montreal, and there are no marine handicaps; the route is safer and speedier than the St. Lawrence. It is true there are at present some artificial handicaps by way of arbitrary marine insurance rates imposed for the protection of vested interests threatened by the newer and cheaper route. If the underwriters have their way, they are going to plug this northern route effectively. While a hundred years ago all Canadian ports on the Atlantic suffered because of similar discrimination against them in favour of United States ports, it would appear now, judging from the extremely high rates set on shipments out of Churchill, that the same unenlightened policy is being applied in greater degree to this new port. The new route is now ready and equipped to do a magnificent service for Canada, and we must see that it is not hampered by restrictions imposed by interests outside of Canada which are not only indifferent but quite possibly hostile to its future development.

First, the underwriters set rates so high as to prohibit ships from sailing into Churchill and then they blandly say: Once the safety of the route is proven we shall consider an adjustment. I do not wish to take up the time of the house, or for the next hour I could quote statements from sea captains and men who have sailed the seven seas, who know something about this route and whose statements cannot be challenged regarding its safety and usefulness. I might, however, in passing, refer briefly to a statement made by the captain of the Farnworth, the first boat to reach London dock from Churchill with the first cargo of wheat out of that new harbour. This is from the Manitoba Press Press of October 6 of last year:

Captain Mouat had an air of quiet satisfaction about him when he was encountered on the bridge of the steamer Farnworth to-day. The Farnworth arrived in London docks Sunday at the conclusion of a history-making voyage of 16 days from Churchill, Canada's newest seaport on the shore of Hudson bay, bringing a cargo of 277,000 bushels of grain over the new Hudson Bay northern route, which cuts one thousand miles off the journey from the prairies to Britain.

In the captain's view it was a most matter of fact achievement to navigate from Churchill through the Hudson straits. The spare-looking skipper could find few remarks to make about the voyage simply because it had been like so many others he had made.

Ice Proves No Difficulty

"Oh, there was no ice at all to bother anyone," he said.

"Was there any fog?"

"Well, we will call it a haze, but it was nothing to worry over," the captain replied. "In fact, I was surprised to find how easy

things were. Everything possible had been done for us in advance, and the wireless gave us wonderful assistance. Without it we might have encountered some difficulties."

"Churchill is already well fitted with what ships like this need," Captain Mouat said. "The berthing is capital there already, and I see no reason whatever why this port should not be an excellent business proposition. Of course, this will be my only trip on this route in the present season."

Further, the Minister of Marine (Mr. Duranleau) sent into Churchill this year the Canadian government steamship Acadia which cleared Churchill outbound on October 2, remaining in Hudson strait until October 22 when further work was abandoned on account of a shortage of coal. I talked to the captain of this ship who told me that had he had a supply of coal he could have remained in the strait well into December. Here is the testimony of another captain who is very well known, Captain W. J. Balcom, commander of the Canadian government icebreaker N. B. McLean. I quote from a Canadian Press despatch of October 31, 1931:

Shipping of grain and other cargoes through Hudson straits from Canada's new northern harbour, Fort Churchill, to European ports, is very feasible, according to Captain W. J. Balcom, commander of the Canadian government icebreaker, N. B. McLean, which returned to Quebec yesterday after spending three and a half months patrolling Hudson straits.

Captain Balcom said to-day that the two grain boats, the Farnworth with 7,410 tons of wheat and the Warkworth with 7,127 tons were both escorted through the strait from Cape Chidley to Coates Island at the eastern extremity of the straits on their trip to the old country. No trouble was experienced, and the owners of the two vessels had already signified their willingness to carry further cargoes from Churchill.

I have possibly fifty such opinions as that, Mr. Speaker, from such noted men as Captain Bernier and others who have sailed those northern waters, testfying that we have at least an average of eighteen weeks open navigation, which surely can be increased by modern ships with modern equipment, and our modern inventions such as direction-finding stations, and so forth. For two hundred and fifty years the Hudson's Bay Company carried their cargoes to and from Europe in and out of this bay, and for one hundred and fifty out of that two hundred and fifty years they used wooden sailing ships. It does not seem unreasonable, therefore, to suppose that modern ships, with modern equipment and modern ideas, should meet with a very much greater degree of success, provided of course that in the initial stages of development of this route every precaution is taken for the protection of the vessels using it—and I am happy to say that all precautions have been taken. Direction-finding stations have been located at four points in the straits which are in touch with the vessels using the straits at all times. When I say "the straits" I do not want hon. members to think of a narrow stretch of water running between high rocks, or anything of that kind, because the Hudson straits are 450 miles long, 65 miles wide at the narrowest point, with 500 fathoms of water and no obstructions from the time you pass out of the gap at the harbour, a quarter of a mile from the dock, until you arrive in the straits, which is a voyage of 450 miles. There is not a shoal of any kind in all that stretch. To all intents and purposes you are out on the ocean.

It may be said, and it is being said, that the Canadian government having provided the necessary facilities, it is now up to the shippers, the importers and the exporters, to make use of those facilities. But, Mr. Speaker, I hold that the government has a further duty. Canada has a large sum of money invested in this project. The present government has given its approval of the scheme. Advantages will certainly accrue to the farmers of the west from the development of this route. Because of those two circumstances alone the government owes it to the people of Canada in general and to the west in particular to take the initiative and lend every possible encouragement to the routing of traffic through this new port. Some may say that it is unfair for the government to attempt to divert traffic from the existing routes on the Atlantic and Pacific to the Hudson Bay route. But I say that it would be just as unfair to neglect it in its infancy. To do nothing to direct traffic into the channel which will be the most economical would be most unfair to those sections of Canada which it will immediately benefit; and after all, anything that will help the west will help the whole of Canada. I think all hon. gentlemen will agree that it is no time to talk of sectionalism in this country.

There is another important matter which I should like to mention, important judging from the number of resolutions that are being passed by boards of trade in the west in connection with the rates that apply to the Hudson Bay railway. The boards of trade in western Canada are desirous that the government publish at the earliest possible moment a tariff of rates applicable on the Hudson Bay railway. Shippers are ready to use this new route but find themselves unable to quote prices due to the fact that the tariff of rates is not published. It is true that the provisions of the Crowsnest pass rate structure apply to

Churchill, but only in part. For some reason or other when the Crowsnest rate structure was applied to the Hudson Bay railway it was made applicable only to wheat. To such grains as barley, flax, oats, rye and so forth, as well as flour, it does not apply, although the Crowsnest pass rates apply to all these grains when they are billed to the head of the lakes. The people in western Canada who are supporting this route feel that this is rank discrimination and that it should be removed at the earliest possible moment.

Another matter that is giving them concern is the fact that the Crowsnest pass rates as applied to the Hudson Bay railway extend only as far south in Saskatchewan as Regina or Moose Jaw, or the main line of the Canadian Pacific railway. Now if this new route is going to serve the purpose for which it was intended, these rates should apply to all parts of Saskatchewan and Manitoba as well as to certain points in Alberta which hope to use it. This is particularly important because our neighbours to the south in the states of Dakota, Montana and Minnesota, expect to make use of this new grain route, but if they are to be penalized by having to pay the regular prairie schedule rates up as far as the main line of the Canadian Pacific railway—and the same applies to Manitoba south and east of Dauphin—I fear it will militate very strongly against the success of the route. I would ask the Minister of Railways to do his utmost to bring these adjustments about, because the people of the west feel very strongly about them, and there can be no question that it is discrimination of the rankest kind.

Before closing may I pay a tribute to the Minister of Railways and Canals (Mr. Manion) and his staff for the able and efficient manner in which this work has been brought to a successful conclusion. I have watched this work very closely from its inception, and I feel quite safe in saying that this is one of the public works projects in Canada for which the people of Canada got value for every dollar expended. I pay that compliment to both governments because, as I said, both have contributed towards its construction about on a fifty-fifty basis.

Mr. THOMAS McMILLAN (South Huron): Mr. Speaker, my first words must be words of congratulation to the hon. Minister of Finance (Mr. Rhodes) for the manner in which he delivered his budget. It, of course, was true to form. I was also pleased indeed to notice the most effective criticism which it received at the hands of my good friend the hon. member for Shelburne-Yarmouth (Mr. Ralston). I have long since realized, Mr. Speaker, that honesty or purpose and sincerity of heart are among the greatest virtues of man. But, sir, as one who has largely expended the energies of life in and for the uplift of Canadian agriculture, I must confess that the prospects of farming to-day are less attractive than at any previous period of my life. Therefore I cannot allow this budget to pass without voicing my protest regarding the action of the government with respect to agricultural matters.

Experience has taught me that in order to accomplish anything in debate we must have some common standing ground, some platform, as it were, upon which the contestants at the outset can agree. That requirement the Prime Minister (Mr. Bennett) and I most surely have. During his campaign in Calgary he said:

> Agriculture is the basic industry of Canada.

At Ormstown, Quebec, he said:

> Agriculture stands first in Canadian activities.

Meaning thereby that it should have first consideration at the hands of any Canadian government. At Woodstock, New Brunswick, he said:

> It shall be my great responsibility, if elected on the 28th of July, 1930, to see that the collective weight and power of the whole Dominion of Canada is placed behind agriculture. I would be lacking in the qualifications entitling me to head a Canadian government if I failed to do so.

Surely those expressions were such as to convince every farmer that the first consideration of this government would be the welfare of Canadian agriculture. Nevertheless from the moment of his election he and his government have subordinated the requirements of agriculture and of the general consumers of this country to those of his "special-interest" friends. Therefore my text to-night and wherever I go will be contained in these words: "If there be an inevitable conflict between agriculture and any other interest, that other interest must yield." In view of the commanding importance of a healthy and vigorous rural life, the welfare of Canadian agriculture must be preserved and stabilized if the national integrity is to be upheld.

Economically this country is in the most critical condition of its history; its situation is so critical that there is no time for anyone to talk cheap politics. Politics in the true sense of the term means the science of government, the government and regulation of a nation in order to ensure the liberty, security, and progress of its people. Canadian

agriculture is to-day in the very trough of depression, in the midst of a world depression which is driving many people to a state of panic. But we must not forget that this condition is temporary, that agriculture will again become prosperous. Agriculture in Canada must become prosperous, but only if given its commercial freedom and if justly dealt with by and under governmental authority. It is acknowledged by all that agriculture is the basic industry of Canada, that the constant condition of agriculture is the real barometer of the trade of the country, and that without a dominant agriculture the whole national economic fabric will fall to pieces. Never has that fact been illustrated more clearly than to-day. For the past eighteen months business conditions in this country have been largely paralyzed. That state of affairs has been greatly intensified through the customs and tariff enactments of this government, preceding and following in the wake of the last Imperial conference. With trade falling off, revenues declining, transportation seriously restricted, national debt piling up, expenditures growing, immigration reduced to a minimum, and unemployment so rife that in the midst of bulging warehouses and overflowing elevators we see the lurid picture of thousands of destitute citizens living in semi-starvation and away over 530,000 idle working people.

There is a condition upon which no one wishes to dwell. Why is this so? Because the farmer is unable to sell the produce of his labour for the bare cost of production; as a consequence his purchasing power is largely destroyed; and so the whole national economic fabric is threatened. In the midst of such a condition last fall was it not a striking coincidence that the price of wheat should begin to rise, and almost at once, as if by magic, a buoyant, optimistic feeling took possession of the people? Does that experience not prove the force of my words, that the constant condition of agriculture is the real barometer of trade? Why, it represents the backbone of our whole national economic structure. And does not that fact prove the words of my text: If there be inevitable conflict between agriculture and any other interest, that other interest should yield? Agriculture must be preserved and stabilized if national integrity is to be upheld.

Wherein lies the remedy? Give to agriculture the wider and better markets which it demands and which it must have, and at the same time enable the farmers to obtain their requirements at prices somewhat on a parity with the prices which they must accept for their farm products. That is the crux of the whole situation. Give the farmers their requirements at prices equivalent to those which they must accept for their produce, and the way is largely open for a solution of the problem. But what does this government do? It tries to put this whole dominion into an hermetically sealed condition so far as trade is concerned, and so well has it succeeded that in the short space of eighteen months it has practically destroyed almost one half of our entire foreign trade. But not content with that condition this government, through the medium of the Finance minister in this budget, comes along again and places a further burden on agriculture in the shape of a two hundred per cent increase in the special excise tax upon all imports.

No nation can live unto itself. This world has become a family of interdependent nations which must work hand in hand and become mutually helpful. To accomplish this, if we could only cancel the war debts between the nations, stop the building of armaments, pull down these most obstructive tariff walls and allow the family of nations economic liberty, the problem would largely be solved. The way things are going at the present time, sir, it seems to me it might be a good plan to lock up some of the ministerial heads of this government in order to ensure the free flow of trade in its natural lines. Surely we have already had ample proof of the effect of the policies of this government on agriculture. To my mind the great reason why a policy such as I have suggested cannot be followed is that those who are in control in some of the leading nations of the world are afraid that by doing so they may lose that control when they next appeal to their electorates.

If further proof is needed of the way things are going in the economic life of the world to-day it is only necessary to consult the last report of the Basle committee, which called for adjustment of all reparations and other war debts to the troubled state of world finances, and warned the governments of the world that this must be done immediately if fresh disaster were to be averted. This report, adopted unanimously by the eleven financial experts and economists who composed the committee, was set out in full detail after the most exhaustive inquiry into the economic condition of Germany, and the report stated that action was urgently needed in a much wider field than Germany alone. When the Hoover moratorium ends in July, under the Young plan, Germany will be required to pay some $450,000,000 annually in gold to the

allied countries, with the exception of the United States. Of this amount about $165,000,000 is unconditional, earmarked for the repair of war damage in France and Belgium, and according to the Young plan that payment cannot be postponed. All the financial and economic experts who have been studying this question have agreed unanimously that Germany is absolutely unable to pay the balance of $285,000,000 to the other countries. It so happens that European governments owe the United States about $250,000,000 annually, or only some $35,000,000 less than Germany's entire annual obligation.

The Basle committee, while unable to consider the matter of unconditional reparation annuities, stated in their report that they would not feel they had fully performed their task if they did not bring to the attention of the governments of the world the extreme gravity of the present situation, which undoubtedly has exceeded the relatively short depression envisaged in the Young plan, to meet which the safeguarding measures contained therein were designed. Speaking at Manchester on December 9 last Sir George Paish, eminent economist, who is in complete accord with the report of that committee, stated, "If my information is correct, and I think it is, nothing can prevent a complete world economic breakdown. Reparations should be cut off entirely or reduced to such a low figure that they would become negligible. Inter-allied debts should be written off entirely. World tariffs must come down." He said the most serious consequences were likely to result if the new British high tariff system were put into operation; he said it would cause world bankruptcy, and described it as the greatest folly that could be conceived. Commenting on this statement, according to the press the Prime Minister of Canada was so unimpressed that he merely said, "Mother Shipton predicted that the world would come to an end one hundred years ago." Mark you, this is the man who is empowered to speak for the Canadian people. I quote the following press report, dated St. John, New Brunswick, December 13, 1931:

> The prediction of Sir George Paish, British economist, regarding an early breakdown of the world's economic structure, has not impressed Right Hon. R. B. Bennett, Prime Minister of Canada, who was here fifteen minutes last night en route to Ottawa on his return from England.

No; he said, "Mother Shipton predicted that the world would come to an end one hundred years ago." I ask the Prime Minister if this press report is a fair summary of his opinion of the gravity of the present world economic condition, and I hope before this debate ends he will give this house a satisfactory reply.

No man was ever in a better position to make a name for himself and to place Canada on the highest pinnacle among the British commonwealth of nations, but let us pause for a moment to inquire what this government have done to solve these pressing problems with which we are faced, or I might put it the other way and ask what this government have done to place Canada in the desperate economic condition in which we find ourselves to-day, particularly with regard to agriculture. Twelve months ago I said this was practically a one man government, with a following so weak and submissive that you would almost think they were hibernating. After twelve months have passed who can say that this is other than a one man government?

I have outlined the course which I believe should be followed. Everyone realizes that agriculture is the backbone of our whole economic structure, and everyone realizes also that Canadian farmers must have access to wider and better markets, but it is a thoroughly sound economic maxim that if we are going to sell our goods to other countries we must buy goods from those countries in return. But what did the Prime Minister do? He increased the tariff at the special session and last session for the one purpose, so he said, of remedying an unfavourable trade balance. I do not believe that, and I propose to show by the words of the Prime Minister himself that I am right in my contention. If the Prime Minister will look at the Monetary Times of January 8 last he will find that in 1930 Canada borrowed from the United States some $393,632,000 whereas in the following year we borrowed only $155,920,000. That fact alone would decrease the imports from that country, and that result would have followed if the Prime Minister himself had gone into hibernation and remained there during the whole time. While the borrowings of Canada from the United States had decreased in that one year by $237,000,000, in the same year the imports from that country, as you would naturally expect, had declined by $259,000,000.

I have said that I propose to show from his own lips that he did not increase the tariff for the purpose of remedying an adverse trade balance. His very first expression on the floor of this house as Prime Minister of Canada was that so far as possible the requirements of ten million Canadian people must be produced at home, thereby showing at once that he did not wish to encourage the importation of any goods that could possibly

be produced in this country, thus drying up the springs of trade and further paralyzing Canadian agricultural life. His very first expression, as I say, was this, as I have pointed out. Secondly, his next act, in amplification of that policy, was to jack up the Canadian tariff against the importation of British goods almost to the prohibitive point, practically wiping out the British preference before ever he went to the imperial conference, thus ejecting British goods at the toe of the boot from Canadian markets which they had enjoyed for a lifetime. Thirdly, his act was to pass some of the most diabolical customs legislation ever forced through the parliament of any country, legislation which has driven the people of Canada, to a status away back behind the days of Magna Charta, the day of the signing of the great charter of English liberty for the preservation of those liberties of the British people, which charter, amongst other things, stipulated that no taxes must be levied within the realm without the approval of parliament, and that foreign merchants should be allowed safe conduct to enter England and leave it, to buy and sell, without the obstruction of an evil toll.

Why were these safeguards to English liberty insisted upon in those early days? Simply to prevent exploitation of the people. But now we have a government who have passed this legislation, taking the right of taxation directly out of the hands of parliament, a right which had rested with the representatives of the people, under the terms of the British constitution, ever since the days of King John, and putting that power into the hands of one man, the Minister of National Revenue, to fix for duty purposes, whatever valuation he wished upon the importation of goods into Canada, regardless of what the cost price of such goods might be. If that is not an exhibition of high protection gone crazy and autocracy gone to seed, made legal in the face of the solemn protests of the Liberal party in this house, and under the threat of the Prime Minister that until it was passed he would refuse to leave Ottawa for the imperial conference, I do not know what you would call it. It has destroyed the stability of trade to such a degree that every prospective trader is afraid to launch out and do business, for he will never know the valuation upon which he will be required to pay duty. If anyone is engaged in the business of buying and importing goods, would common sense not tell him that the valuation on which he ought to pay duty would be the reasonable cost price of those goods? That is the valuation upon which any sensible individual would expect to pay duty. But now we have a government who have passed a law nullifying that sensible view and putting it in the power and at the whim of one man to fix whatever valuation he pleases without any regard whatever to the cost price of goods, and whenever he likes to take such action.

But of course this is in line with the whole fiscal policy of this government. The government do not wish to allow the importation into this country of any goods of a kind that is or can be produced in Canada, no matter how exorbitant a price the consumer may have to pay.

Some hon. MEMBERS: Carried.

Mr. McMILLAN (Huron): I know you would like me to stop but I am not through yet. Surprise has been expressed that there are no tariff changes in the budget. Why, Mr. Speaker, we do not need any; the Minister of National Revenue is making such changes regularly. Read Hansard of the special session of 1930, and you will see from the whole discussion that the Minister of National Revenue can make the entire tariff ten times higher than it now is if he so chooses, without ever consulting parliament at all. And through the medium of orders in council he is continually doing it. But of course, as I say, this is in line with the whole fiscal policy of this government.

This principle of one-way trade is no good. It is a policy of blind nationalism which should be stamped out. The endeavour to put Canada into a hermetically sealed compartment, so far as trade is concerned, is absurd and is becoming intolerable to the great masses of the people. Therefore I charge the Prime Minister, according to his own yard measure, with being entirely lacking in the qualifications that should entitle him to head the Canadian government in the measures so necessary for the salvation of Canadian agriculture. The longer he proceeds the worse the mess becomes. And further, Mr. Speaker, no one who will not observe the full meaning of these words: "If there be economic conflict between agriculture and any other interest, that other interest must yield," should be allowed to continue at the helm of Canadian public affairs.

Agriculture must be preserved and stabilized if national integrity is to be maintained. If the Prime Minister were only true to himself, he would see that such a policy was observed. Everyone knows that, as I have said, agriculture is the foundation and the backbone of our whole national economic structure. The condition of agriculture to-day is becoming too serious to be longer neglected.

Some hon. MEMBERS: Carried.

Mr. McMILLAN (Huron): Hon. members need not think that they can annoy me.

I see a lot of hon. members opposite who represent agricultural constituencies. Their actions show how much they care for agriculture, and that is why agriculture has received so little consideration and so little real sympathy on the floor of this house. If the government of Canada would only solve the problems of Canadian agriculture and put the farmers on a sound and healthy basis economically, the other economic problems would largely solve themselves. What surpasses my comprehension, something I cannot understand, is that type of mind, that peculiar mentality which enables its possessor boldly to announce that he will place the collective weight and power of his government behind agriculture, and in the same breath have the temerity to enact legislation which has the effect of so severely paralyzing Canadian agricultural life as to drive from it the last vestige of outstanding natural ability. It is worse than a crime upon the body politic, and tragic in the consequences which it will involve. We may well recall those memorable words of Goldsmith:

> Ill fares that land to hastening ills a prey,
> Where wealth accumulates, and men decay:
> Princes and lords may flourish or may fade;
> A breath can make them, as a breath has made;
> But a bold peasantry, her country's pride,
> When once destroyed, can never be supplied.

It is the same type of mind which will enact legislation which will place the great body of the people under the iron heel of special privilege and then declare that there shall be no exploitation of the consumer. This government realizes that by its enactments it has placed the people at the mercy of the specially favoured interests; if this were not the case, nothing would be said about the exploitation of the people. Before the government talks about preventing exploitation under such circumstances, it should be able to assure us that it is possessed of that superhuman power which will enable it to reconstitute human nature. Unless the government can do this, such talk is the sheerest balderdash. It reminds me of the expression, "They might tell the truth to the people, before asserting that they can appreciate nothing in argument but fallacies and nothing in language but balderdash."

All these things which have proved to be to the detriment of Canadian agriculture were enacted before the Prime Minister and his colleagues went to the imperial conference. They have continued ever since with increasing force and to-day we are reaping the bitter effects of such disastrous legislation. Go into the towns, the villages and the cities, consult the bankers, businessmen or tradespeople, what do they say? Their constant prayer is: Lord, give us a policy which will help the farmer in his extremity and he will help us all. This government could begin at once one of the greatest developments in history right on the farms and in the farm houses of Canada, but it still persists in its immeasurable folly. The farmers of this country are just as anxious to have the comforts and conveniences of city life as are the townspeople, and there is no class of people in this country who, if they had the wherewithal, would spend more freely. If my hon. friends across the way would only drop party politics, I am convinced that they would support me in this matter.

An hon. MEMBER: Where has the hon. member been all his life?

Mr. McMILLAN (Huron): He has always been trying to do his part.

This government went to the imperial conference with the idea of blasting its way into the markets of the world. What has it accomplished? In a single twelvemonth its blasting folly has destroyed more than one-third of the entire foreign trade of Canada. How did it accomplish that result? It was accomplished by increasing the tariff and by peremptorily demanding that the British government impose a tax on foreign foodstuffs, thus identifying in the minds of millions of Britishers the once-honoured and respected name of Canada with the odious and much-feared policy of taxing the food of the British people. The Prime Minister then became wildly uproarious and left Great Britain with the veiled threat of economic separation simply because a British minister mildly designated his whole proceeding as "humbug." What has Professor Stephen Leacock to say on this point? He says that Right Hon. J. H. Thomas used the right word when he called Mr. Bennett's proposal "humbug." He continues:

> The Canadian tariff prefers British manufactured goods to American, but shuts them both out so far as they interfere with our own manufacturing system. A nation that blocks out everything with a tariff and produces vast quantities of goods which it cannot consume is working its own ruin.

I do not need to emphasize the fact that the whole proceedings at that conference were a dead failure as far as the welfare of Canada was concerned, and this is known to every real student of public affairs. Has that fact had any effect whatever in dissuading the

Prime Minister from following the course which he has apparently mapped out, a course so ruinous to the interests of Canadian agriculture? None whatever, and that is the reason why I am impelled to say that according to his own yard measure he is entirely lacking in the qualifications which entitle him to lead a Canadian government in providing the measures so necessary for the salvation of Canadian agriculture.

I do not need to rehearse the proceedings of the last session of parliament. From beginning to end it was one continuous course of action—

Mr. GOTT: If the hon. member persists in reading his speech, I shall have to direct the attention of the Speaker to his conduct.

Mr. McMILLAN (Huron):—as far as fiscal legislation was concerned, against the true interests of agriculture and the general consumer, and showed unmistakably that there had been no recanting whatever of his opinions previously expressed and acted upon.

On motion of Mr. Edwards (Waterloo) the debate was adjourned.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Wednesday, April 13, 1932

The house met at three o'clock.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

MANITOBA SAVINGS OFFICE

Mr. WEIR (Macdonald):

1. Did the Dominion government guarantee or agree to guarantee the various banks which took over the deposit liability of the province of Manitoba savings office, if so, what was the nature of the guarantee and what was the amount thereof?

2. If no guarantee was given said banks, was any other arrangement or agreement made or entered into by the Dominion government with the banks in connection with the taking over of the said deposit liability?

Mr. BENNETT: Mr. Speaker, the house passed an order for the production of the papers with regard to this matter, and therefore I think the question should be dropped.

Mr. BROWN: Is it certain that the papers to be brought down will give definite answers to those questions?

Mr. BENNETT: They must.

Mr. SPEAKER: Dropped.

LUMSDEN, SASK., POST OFFICE

Mr. BUTCHER:

1. What was the total cost of post office at Lumsden, Saskatchewan?

2. Were tenders invited, what are the names of persons tendering, and amount of tender in each case?

3. If total cost of building exceeded amount of successful tender, give details of extras and cost of same?

Mr. STEWART (Leeds):

1. $22,889.37, as follows:

Site	$ 2,000 00
Legal services	61 51
Contract for building	17,016 70
Contract for interior fittings	978 00
Post office boxes	1,294 10
Salary of Clerk of Works	637 10
Safe (including tax and freight)	424 63
Brass plates, window blinds, etc	362 40
Advertising and printing	114 93
	$ 22,889 37

2. Yes.

Tenders for construction:

School Builders & Equipment Co., Regina	$ 15,940 00
Poole Construction Co., Ltd., Regina	16,357 00
The Waterman Waterbury Mfg. Co., Ltd., Regina	16,574 00
Bird, Woodall & Simpson Ltd., Moose Jaw	16,600 00

Tenders for construction—*Concluded*

Broders Limited, Regina	$ 16,729 00
Hipperson Construction Co., Ltd., Regina	16,750 00
Lockwood Bros., Regina	17,597 00
Smith Bros. & Simpson, Ltd., Regina	17,650 00
Wilson & Wilson, Ltd., Regina	18,400 00

Tenders for interior fittings:	Birch	B.C. Fir
Can. Office & School Furn., Ltd., Preston	$ 978 00	No quotation
Regina Sash & Door Co., Ltd., Regina	1,094 00	$ 940 00
Sterling Millwork Ltd., Saskatoon	1,141 00	928 00
School Builders & Equipment Co., Regina	1,249 00	1,095 00
The Western Mfg. Co., Ltd., Regina	1,259 00	1,014 00
The Office Specialty Mfg., Co., Ltd., Ottawa	1,269 00	1,396 00
The Interior Hardwood Co., Ltd., Kitchener	1,367 00	1,408 00
W. H. Cushing Ltd., Regina	1,403 00	1,061 00

Tenders for post office boxes:

Rubenstein Bros.	$1,294.10 tax included
Office Specialty Mfg. Co., Ltd.	1,316.25 tax included
Robert Mitchell Co.	1,459.50 tax extra

3.

Contract for construction of building:

School Builders & Equipment Co.	$15,940 00
Less deduction for face brick	154 50

Extras on contract:

Installation of steel boiler	175 00
Installation of gate valve to basement drain	26 50
Eavetrough, conductor pipe, and tank in basement	111 00
Blower system for boiler	351 00
Sewerage pump well complete	522 70
Sinking well extra 3 feet	45 00
	$ 17,016 70

UNEMPLOYMENT RELIEF—QUEBEC

Mr. LARUE:

1. Were requests for funds from the municipalities of the villages of Amqui and Causapscal, and the parishes of St. Benoit, Joseph-Labre and St. Leon le Grand, to carry out works pursuant to the Unemployment Relief Act, and approved by the Quebec government, received by the Dominion committee on unemployment relief?

2. If so, how has said Dominion committee settled this matter?

Mr. GORDON:

1. No.

2. Answered by No. 1.

CLOSING OF FACTORIES

Mr. RHEAUME:

How many factories closed their doors from September 1, 1930 to date?

Mr. STEVENS:

No information.

DOMINION BONDS

Mr. SPENCER:

Of the Dominion government of Canada bonds issued during 1931, what quantity was bought by: (1) railways; (2) mortgage companies; (3) banks; (4) insurance companies?

Mr. RHODES:

Statistics are not compiled showing classification of bond buyers. Complete data is not available for such purpose as many buyers act through agents—their banks or bond dealers.

QUESTIONS PASSED AS ORDERS FOR RETURNS

POSTMASTERS—POLITICAL PARTISANSHIP INQUIRIES

Mr. POULIOT:

1. How many postmasters had to undergo inquiries for political partisanship since August, 1930: (a) each month, and (b) in each province?
2. In how many cases: (a) each month since August 1, 1930, and (b) in each province, did the Postmaster General require a written complaint accompanied by an affidavit before granting an inquiry for political partisanship?

NOVA SCOTIA COAL

Mr. ILSLEY:

1. Has the government taken any steps to secure markets in Canada for an additional quantity of Nova Scotia coal?
2. If so: (a) what steps have been taken; (b) will the government's policy be submitted to parliament for its consideration?
3. Has the sale of Nova Scotia coal in Canada been increased since the initiation of the government's national fuel policy, so called, last session, and if so, by what tonnage as compared with the same months in the year before the initiation of such policy?
4. If such sale has not increased, has it decreased, and if so, to what extent?

UNEMPLOYMENT RELIEF—QUEBEC

Mr. BOULANGER:

1. What are the various amounts disbursed by the Dominion government, from December 1, 1931, to April 1, 1932, relating to the cost of the works carried out in the province of Quebec to relieve unemployment?
2. To whom and on what dates were said disbursements made?
3. On what works were said disbursements made?

ALBERTA TIMBER AREAS

Mr. COOTE:

1. What is the area in square miles of the merchantable timber in Alberta?
2. What is the area in square miles of the merchantable timber in Manitoba?
3. What has been the cost of maintaining that part of the Royal Canadian Air Force engaged in forest-fire protection and patrol work in Alberta during the period, January 1, 1929, to January 1, 1931?
4. What has been the cost of maintaining that part of the Royal Canadian Air Force engaged in forest-fire protection and patrol work in Manitoba during the period, January 1, 1929, to January 1, 1931?

Mr. CAHAN: Stand as an order for return, tabled herewith.

[Mr. Spencer.]

WILLIAM NOBLETT

Mr. DUFF:

1. Was William Noblett, LL.B., of Sydney, Nova Scotia, appointed a commissioner to investigate cases of political partisanship?
2. How many of such cases did he investigate?
3. How many dismissals were made on his recommendation?
4. What amount did he receive for: (a) remuneration; (b) expenses, for any work done in connection with said investigation?

NOVA SCOTIA—APPLE CROP

Mr. DUFF:

1. What was the total crop of apples grown in the province of Nova Scotia, in 1931, as estimated by the Department of Agriculture?
2. How many were exported overseas?
3. To what countries?
4. How many were sold in Great Britain?
5. How many cargoes were shipped to Great Britain, and the names of the steamers carrying each cargo and the dates, and number of barrels and other containers in each said cargo?
6. What is the ocean freight per barrel from Halifax to Great Britain?
7. What is the ocean freight from Port Williams to Great Britain?
8. What is the inland freight per barrel from Middleton, Berwick, Waterville, Kentville, Windsor, New Germany and Bridgewater, to Halifax?
9. Was said freight rate paid on sterling exchange?
10. If not, was it paid in New York or Canadian funds?
11. What was the average sale price per barrel for each cargo taken to Great Britain and arriving between September, 1931, and April, 1932?
12. What was the average net price return from shipments to Great Britain to growers or shippers per barrel for each such cargo?
13. What was the sterling rate of exchange in effect at the time of arrival and sale of each cargo from September, 1931, to April, 1932?
14. What was the total discount loss absorbed by growers or shippers as a result of the sterling discount between the above dates?
15. Has the government ever been asked by the banks or others to assist the fruit industry by guarantee or otherwise to relieve said industry to the extent of any discount loss?
16. Has the government under consideration a policy for such assistance by way of guarantee to the banks or otherwise in order that the fruit growers may receive full net value for sales in Great Britain until sterling returns to par?

DAUGHTERS OF THE EMPIRE

On the orders of the day:

Mr. OSCAR L. BOULANGER (Bellechasse): I would like to direct a question to the Secretary of State (Mr. Cahan). I should like to ask if he has given permission for the use of the Dominion archives building, which belongs to the Canadian people, by the Imperial Order of Daughters of the Empire

for the holding of a reception in aid of the relief work carried on by the order, at which there will be dancing and bridge playing. I should like to ask also if the minister would condescend to do the same thing for the Native Sons of Canada should they desire to organize a charity ball or bridge party in aid of the civil servants or railway men, for instance, recently dismissed by the government.

Hon. C. H. CAHAN (Secretary of State): I remember that I gave permission for a reception to be held, but whether or not that permission was given the Imperial Order of Daughters of the Empire I am not sure. It was not brought to my attention that there was to be dancing or bridge playing, or any other form of entertainment; I understood it was to be a reception, and I followed the precedent laid down by my predecessors.

If the Native Sons of Canada desire to hold a reception in the same building they should apply in the usual way and I will take the matter into consideration before giving an answer.

Hon. R. J. MANION (Minister of Railways and Canals): In his concluding words the hon. gentleman spoke of railway men who had been dismissed by the government. I wish to say there have been no railway men dismissed by the government; any dismissal of railway men was done by the Canadian National Railways management.

CIVIL SERVICE SALARIES

On the orders of the day:

Mr. T. FRANKLIN AHEARN (Ottawa): I should like to direct a question to the Minister of Finance (Mr. Rhodes). Will cheques be issued to the civil servants on April 15, and, if cheques are issued, will the ten per cent reduction be made?

Hon. E. N. RHODES (Minister of Finance): As to the first part of the question, the answer will depend upon the attitude of another chamber with respect to the supply bill now before it. As to the second part of the question I would anticipate that we would have a right to have regard to the legislation which has been advanced in this house almost to the final stage.

UNEMPLOYMENT ORDERS IN COUNCIL

On the orders of the day:

Mr. WILLIAM DUFF (Antigonish-Guysborough): I should like to direct the attention of the Prime Minister to the suggestion I made a few days ago that the orders in council which are laid on the table from day to day with regard to unemployment and farm relief moneys be either printed in the votes and proceedings or made an appendix to Hansard. When only one copy is available it is a great inconvenience to members of parliament, and I wondered if the Prime Minister had been able to give the matter consideration and if he had come to a favourable decision.

Right Hon. R. B. BENNETT (Prime Minister): Looking up the orders in council I find they are practically all the same, varying mainly in the amounts for the various provinces to which payments are made, and unless it becomes the general will of the house it is not at the moment regarded as wise that the additional expenditure should be incurred in printing orders in council of that character, which would involve a very large number of pages added either to the votes and proceedings or to the daily copy of Hansard.

Before we proceed with the next order I would like to point out to the hon. member for Antigonish-Guysborough the fact that at page 246 of the votes and proceedings the orders in council tabled yesterday indicate to whom payments are to be made. I think perhaps in the first one the amount is mentioned, $2,000,000, and that succeeding orders in council might be amplified by stating the amount involved; then you would have the name of the province to which payment had been made, and the amount. If that would meet the hon. gentleman's wishes, I might give directions this afternoon that it be done.

Mr. DUFF: That is quite satisfactory, Mr. Speaker. I had intended to suggest it to the Prime Minister.

RACE TRACK EMPLOYEES

On the orders of the day:

Mr. ECCLES J. GOTT (South Essex): I should like to direct the attention of the government, and particularly of the Minister of Immigration (Mr. Gordon) to the fact that a number of pari-mutuel operators working on race tracks in the southern United States have been dismissed for no other reason than that they are Canadian citizens. There are a large number of Americans who work on Canadian race tracks, and I would ask the minister to see how many Canadians have been dismissed from American tracks and try to prohibit the employment of Americans on Canadian race tracks during the race meetings this summer.

Hon. W. A. GORDON (Acting Minister of Immigration): The matter to which the hon. member has made reference has been under consideration by the Department of Immigration for the past week or so. All the information we can secure is being assembled for the guidance of the officers of the department.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Tuesday, April 12, consideration of the motion of Hon. E. N. Rhodes (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Ralston, and the proposed amendment to the amendment of Mr. Gardiner.

Mr. A. M. EDWARDS (South Waterloo): Mr. Speaker, may I first of all extend my congratulations to the architect of this budget, the present Minister of Finance (Mr. Rhodes). While it has in it many tax levies which possibly bear heavily on a certain portion of the community, still I feel that these levies have been placed upon those people best able to pay, and it is to be hoped that ere another year rolls around and another budget has to be prepared better times will prevail which will permit these taxes to be lowered.

I am not one of those who think that wealth should be conscripted for tax purposes. We depend on the circulation of capital for the development of our industries, and we usually find that those possessing wealth invest it in our industrial establishments. The levying of an excessive income tax seems to me to be a restriction on initiative, for it means that the man who goes out and makes good is penalized until in the higher categories he loses fifty per cent of his income. However, as I said before, perhaps an upturn in business before next session will enable the government to lessen these imposts.

May I say a word to my good friend who preceded me in this debate, the hon. member for South Huron (Mr. McMillan). I have a very great respect for him. For several sessions I have listened to his views on the tariff question, unquestionably they do not change, and I think the hon. member has advanced them so often that he almost believes them himself. I wonder if hon. gentlemen who are constantly advocating a reduction in protection both for business and for industry have ever pictured to themselves what would have happened to this country if we had not had the tariff protection enacted in the special session of 1930. That measure was taken barely in time. We had the debacle of business in the United States, industrialists there selling their wares for almost anything they could get for them, not on any fair competitive basis by any means. Two years ago I cited an instance, and perhaps it will bear repetition now, with respect to the heavier lines of goods manufactured in different parts of the United States where freight rates are sufficiently low to offset the long haul, and where they have in operation what is known as a zoning system. The manufacturers of these heavier lines of goods in the New England states have a zone, we will say, as far west as Buffalo; the Buffalo zone extends to Toledo and Detroit; the Toledo and Detroit zone extends as far west as Chicago and Minneapolis, and from those points the zone extends to the Pacific coast. In normal times it is the understanding between those manufacturers that they shall market their goods within their respective zones, but when abnormal conditions arise, as was the case in 1930, this understanding is ignored and they have a free hand. The manufacturer of heavy ware in the eastern states will, for instance, market his goods as far west as Minneapolis or Chicago. He is not particular about the price he gets in that zone, but he is particular about the price in his own zone. In other words, he endeavours to hold up the market for his product in his own zone, and slaughter it in the other zone. Now, what happened on that occasion? Those goods were coming into Canada for a while, but, due to the vigilance of our National Revenue department, their entry was soon stopped. Those goods were valued for duty purposes at the prices at which they were sold in the slaughter zone, so our manufacturers were subjected to most unfair competition, no regard whatever being paid to cost or to distance of distribution; it was simply a matter of keeping their factories going, getting their prices in their own market and slaughtering them in the foreign market. That happened in various lines of industry. If in 1930 we had not taken means to protect ourselves, what would have happened? We would have been faced with an army of 120,000,000 people as against our small army of 10,000,000. As an inevitable result, our market would have been ruined, and there would be no business for our own industries. Therefore I most heartily commend, as do the people whom I have the honour to represent, the action taken by this government in 1930 to protect our home market.

Before I deal with the subject matter of my remarks, I desire to say a word with respect to the suggestion made yesterday by the hon. member for Dufferin-Simcoe (Mr. Rowe), that mixed farming be encouraged by means of a cash bonus. While I am not in favour of such a proposal as a general rule, yet at the present time we have an emergency situation, a situation that must be dealt with, and if it is fair to grant a cash bonus of five cents a bushel on wheat, which benefits more particularly our western people—and it was right; I quite agree with it—then I think there is a reasonable argument in favour of giving similar assistance to our farmers in Ontario and Quebec, who to-day are suffering from a deflation of prices such as has never been known before. I am not a farmer and do not pretend to know very much about farming, and while I am not giving it as my considered opinion, still I think the proposal is worthy of consideration by the government, and I hope they will deal with it at the proper time.

With regard to industry in Canada: During the last two sessions we have heard from hon. gentlemen opposite a great deal about the calamity that they prophesied as a result of the government's action in protecting our home market. To show what actually happened, I have secured data from the Bureau of Statistics with respect to the employment afforded by the 157 new concerns established in Canada since 1930. The first group includes the companies which furnish monthly data on employment. These number 58 and as of March 1, 1932, employed 2,124 people. These are new factories which have opened up since the imposition of the tariff in 1930. The next group includes firms whose products are manufactured in other factories. There are five companies in this group employing 317 people. The next group includes three companies whose business has been reorganized, employing a total of 172 people. There are other classifications for which the data is not given. There are fifty-two firms employing less than fifteen people. There are fourteen firms which although not operating at present will shortly commence to do so, while others have stated that they do not intend to open up in Canada. There are twenty-five firms from which no information was obtainable. This completes the total of 157 companies.

These companies are summarized according to their manufactures. There are nine producing vegetable products; six producing animal products outside of textiles; nine producing textiles; thirteen producing wood and paper products; forty producing iron products; twenty-eight producing non-ferrous metal products; six producing non-metallic mineral products; fifteen producing chemical and allied products; four producing mining and metallurgical products and eight producing miscellaneous products, etc. With the permission of the house I will place the details on Hansard:

LIST OF NEW CONCERNS ESTABLISHING IN CANADA SINCE AUGUST, 1930

United States

A. Vegetable Products—	
1. Baldwin Rubber Co. of Canada Ltd	
2. Campbell Soup Co., Ltd	New Toronto, Ont.
3. Fine Foods of Canada, Ltd	Windsor, Ont.
4. Hill Nut Co. Ltd	Toronto, Ont.
5. Liberty Cherry Co. of Can. Ltd	Toronto, Ont. (Commenced August 15/30).
6. Newton Products	Toronto, Ont.
7. Siren Mills Corp. Ltd	Montreal, Que.
8. Stedfast Rubber Co	Granby, Que.
9. Minute Tapioca Co. Ltd	Montreal, Que.
B. Animal Products (except Textiles)—	
1. Appollo Fur Dyeing Co	Montreal, Que.
2. Cantilever Shoe Co. of Can. Ltd	Toronto, Ont.
3. Griffith Laboratories, Ltd	Toronto, Ont.
4. Lackawanna Leather Co. of Can. Ltd	Toronto, Ont.
5. Schwegler's Hatchery	Bridgeburg, Ont.
6. Selby Shoes, Ltd	Montreal, Que.
C. Textiles—	
1. M. E. Binz Co	Montmagny, Que.
2. B. Edmund David Silk Mills of Can. Ltd	Hawkesbury, Ont.
3. Dominion Webbing Co. Ltd	Kingston, Ont.
4. Donahue Corp. of Can. Ltd	St. Hyacinthe, Que.
5. Esmond Mills, Ltd. of Canada	Granby, Que.
6. Herbert Hosiery Mills, Ltd	Toronto, Ont.
7. Schlegel Co. of Canada, Ltd	Toronto, Ont.
8. Stark Bros. Ribbon Mfg. Co. of Canada	Granby, Que.
9. Westminster Hosiery Ltd	Mount Denis, Ont.

LIST OF NEW CONCERNS ESTABLISHING IN CANADA SINCE AUGUST, 1930—*Continued*

United States—*Continued*

D. Wood and Paper Products—

1. Brown & Bigelow Ltd.	Toronto, Ont.
2. E. L. Bruce Co. of Can. Ltd.	Toronto, Ont.
3. Dixon Pencil Co.	Newmarket, Ont.
4. Eagle Pencil Co. of Can. Ltd.	Drummondville, Que.
5. International Lithographing Co. Ltd.	Toronto, Ont.
6. McFadden Magazines of Can. Ltd.	
7. Northern Lumber Co.	Sault Ste. Marie, Ont.
8. Rochester Paper Co. Ltd.	Toronto, Ont.
9. Schaeffer Ross Co. of Can. Ltd.	Toronto, Ont.
10. Stanley Manufacturing Co. Ltd.	Toronto, Ont.
11. Venus Pencil Co. of Can. Ltd.	Toronto, Ont.
12. Wood-Mosaic Co. (Canada) Ltd.	Woodstock, Ont.

E. Iron and its Products—

1. A.B.C. Washer Co.	Granby, Que.
2. Josiah Antice Co. Ltd.	Toronto, Ont.
3. Belleville-Sargent & Co. Ltd.	Belleville, Ont.
4. Essex Wire Corporation.	Windsor, Ont.
5. Hardware, Woodenware and Toys Ltd.	Coaticook, Que.
6. Cross-Coal-O-Matic Co. of Can. Ltd.	Montreal, Que.
7. Diamond Iron Works of Can. Ltd.	Port Arthur, Ont.
8. Dominion Body Co. Ltd.	Walkerville, Ont.
9. Dominion Hoist & Shovel Co.	Longueuil, Que.
10. Dominion Motors Ltd. (operating agreement)	Toronto, Ont.
11. Dresser Mfg. Co. Ltd. (non-mfg.)	Toronto, Ont.
12. Evans Products Ltd.	Vancouver, B.C.
13. Fedders Manufacturing Co.	Toronto, Ont.
14. Gardner-Denver Co. Canada Ltd.	Toronto, Ont.
15. Heaters of Canada.	Oakville, Ont.
16. Hump Hairpin Mfg. Co. of Can. Ltd.	St. Hyacinthe, Que.
17. Hupp Motor Car Corp.	Windsor, Ont.
18. Hudson-Essex of Canada, Ltd.	Tilbury, Ont.
19. Iron Fireman Manufacturing Co.	Toronto, Ont.
20. Johnson (S. T.) Oil Burners of Can. Ltd. (non-mfg.)	Montreal, Que.
21. Lodge Motor Co. Ltd.	Walkerville, Ont.
22. Lynn Canadian Products Ltd.	Brockville, Ont.
23. Maytag Co. Ltd.	Toronto, Ont.
24. Metal Textile Corp.	Hamilton, Ont.
25. Otis Steel Co. of Canada Ltd.	Toronto, Ont.
26. Packard Motor Car Co. of Can. Ltd.	Windsor, Ont.
27. Pierce-Arrow Co. of Can. Ltd.	Walkerville, Ont.
28. Pioneer Equipment Co. (Can.) Ltd.	Brantford, Ont.
29. Pfaudler Co. of Canada Ltd. (non-mfg.)	Montreal, Que.
30. Radiator Specialty Co. of Canada	Toronto, Ont.
31. Reo Motor Co. of Canada	Toronto, Ont.
32. Silent Glow Oil Burner Corporation, Ltd.	Montreal, Que.
33. L. C. Smith & Corona Typewriters of Can. Ltd.	Toronto, Ont.
34. Snap-On-Tools Ltd. of Canada (non-mfg.)	Toronto, Ont.
35. Stewart Truck Corp. of Canada (assembling)	Fort Erie, Ont.
36. Taco Heater Ltd. of Canada	Toronto, Ont.
37. D. D. Terrill Saw Co.	Pembroke, Ont.
38. Tower Oil Burner Co. Ltd.	Montreal, Que.
39. Walter Motor Truck Co. Ltd.	Toronto, Ont.
40. White Co.	Montreal, Que.

F. Manufacturers of Non-Ferrous Metals—

1. Arrow-Hart & Hegeman, Canada, Ltd.	Toronto, Ont.
2. Baldor Electric Co. Ltd.	Toronto, Ont.
3. Barometric Fuel Saver of Can. Ltd. (royalty basis)	Toronto, Ont.
4. L. S. Brach of Canada Ltd.	Toronto, Ont.
5. Burr-Patterson & Auld Co.	Walkerville, Ont.
6. Canadian Controllers. Ltd.	Toronto, Ont.
7. Continental Carbon Co.	Toronto, Ont.
8. Curtis Lighting Co. of Can. Ltd.	Toronto, Ont.
9. Dennison Electric Co.	Toronto, Ont.
10. Dictograph Co. of Can. Ltd.	Toronto, Ont.
11. Eastern Power Devices, Ltd. (formerly sales office)	Toronto, Ont.
12. Erie Resistor of Canada Ltd.	Toronto, Ont.
13. General Railway Signal Co. of Can. Ltd.	Montreal, Que.
14. Hammond Co. of Canada, Ltd.	Toronto, Ont.
15. International Resistance Co. Ltd.	Toronto, Ont.

LIST OF NEW CONCERNS ESTABLISHING IN CANADA SINCE AUGUST, 1930—*Continued*.

United States—*Concluded*

F. Manufacturers of Non-Ferrous Metals—*Concluded*

16. Leland Electric of Canada, Ltd. (mfg. rights)	Toronto, Ont.
17. Mayflower Co. of Canada	Hamilton, Ont.
18. Noma Electric Co. of Canada	Toronto, Ont.
19. Packard Cable Co. of Canada, Ltd	Toronto, Ont.
20. Polymet Manufacturing Corp	Hamilton, Ont.
21. J. P. Seeburg Corp	Toronto, Ont.
22. Silver Marshall of Canada, Ltd	Toronto, Ont.
23. Simms Motor Units of Canada Ltd	Toronto, Ont.
24. Utah Carter Radio Co	Toronto, Ont.
25. John C. Virden Co. Ltd	Toronto, Ont.
26. Wheeler Reflector Co	Toronto, Ont.
27. Wilson Illuminating Co. Ltd	Toronto, Ont.
28. Wiremould Co., of Canada, Ltd	Toronto, Ont.

G. Manufacturers of Non-Metallic Minerals—

1. Bundy Incubator Co. of Canada, Ltd	Toronto, Ont.
2. Canadian Rockbestos Products Ltd	Montreal, Que.
3. Cork Insulation Co. (Canada) Ltd	Montreal, Que.
4. Masters Builders, Ltd	Toronto, Ont.
5. Tremco Manufacturing Co. (Canada) Ltd (formerly sales office)	Leaside, Ont.
6. James Vernor Co	Walkerville, Ont.

H. Chemicals and Allied Products—

1. Bromo-Seltzer, Ltd	Toronto, Ont.
2. Everett & Barron of Canada, Ltd	Toronto, Ont.
3. Ex-Lax, Ltd	Montreal, Que.
4. F. W. Fitch Co. Ltd	Toronto, Ont.
5. Fyr-Fyter Co. of Canada, Ltd	Hamilton, Ont.
6. General Printing Ink Corp. of Canada	Toronto, Ont.
7. The A. W. Higgins, Co	St. Johns, N.B.
8. Huntington Laboratories of Canada Ltd	Toronto, Ont.
9. Mallinckrodt Chemicals Works of Can. Ltd. (formerly sales office)	Toronto, Ont.
10. Mum Manufacturing Co. Inc	Windsor, Ont.
11. Nestle-Le Mur Co. of Canada Ltd	Toronto, Ont.
12. Noxzema Chemical Co. of Canada	Toronto, Ont.
13. Ober Fertilizer Co	Welland, Ont.
14. Sheffield Bronze Powder Co. Ltd. (formerly sales office)	Toronto, Ont.
15. Summers Fertilizer Co. Inc	St. Stephen, N.B.
16. Talcum Puff Co. Ltd	Toronto, Ont.
17. Ultra Chemical Co. Ltd	Louiseville, Que.

I. Miscellaneous Industries—

1. Aero Corp. of Canada	Kitchener, Ont.
2. Automatic Industries of Can. Ltd	Toronto, Ont.
3. L. G. Balfour Co	Sherbrooke, Que.
4. Film Laboratories of Canada, Ltd	Toronto, Ont.
5. Mack Miller Candle Co	Niagara Falls, Ont.
6. Mimeograph Co. Ltd	Toronto, Ont.
7. South Bend Bait Co. of Canada, Ltd	Cobourg, Ont.
8. Wilcox Canadian Ltd	Toronto, Ont.

J. Mining and Metallurgical—

1. Northwest Stellarene Co	Coutts, Alta.
2. Parco Oil Co. Ltd	Calgary, Alta.
3. Radium Corp. of Canada, Ltd	Toronto, Ont.
4. Simrall Refining Corp. of Canada, Ltd	Amherstburg, Ont.

N.B.—A. (1) American Wringer Co. of Canada, Ltd., Farnham, Que., began manufacturing Stedman Naturized Rubber Flooring in Canada in October, 1930.
(2) Teabury Chewing Gum Co., Sherbrooke, Que., is owned by Canadian capital, but is working on a royalty basis with a United States concern.

Great Britain

C. Textiles—

1. Heild Bros	Kingston, Ont.
2. G. H. Hirst & Co	Carleton Place, Ont.
3. Hiram Leach & Co	Huntingdon, Que.
4. Lancashire Felt Co. of Canada, Ltd	Guelph, Ont.
5. Barry & Staines Linoleum (Can.) Ltd	Farnham, Que.

LIST OF NEW CONCERNS ESTABLISHING IN CANADA SINCE AUGUST, 1930—*Concluded*

Great Britain—*Concluded*

E. Iron and its Products—
1. Beacon Windows Ltd. ..... Toronto, Ont.
2. Imperial Typewriter Co. (Canada) Ltd. (assembly) .... Toronto, Ont.
3. Quasi-Arc Co. Ltd. (non-mfg.) ..... Toronto, Ont.
4. Warwick Time Stamp Co. (non-mfg.) ..... Toronto, Ont.
5. Zanogen Steel Co. of Canada (non-mfg.) ..... Toronto, Ont.

F. Manufacturers of Non-Ferrous Metals—
1. Hackbridge Transformer Co. of Can. Ltd. (formerly sales office) ..... Montreal, Que.
2. Johnson Mathey Co. of Can. Ltd. (non-mfg.) ..... Toronto, Ont.

G. Manufacturers of Non-Metallic Minerals—
1. Colade Ontario, Ltd. ..... Brantford, Ont.

H. Chemicals and Allied Products—
1. British Drug Houses (Canada) Ltd. (non-mfg.) ..... Toronto, Ont.
2. Bovil & Hood (Canada) Ltd. ..... Montreal, Que.

N.B.—Henry Hamer & Sons, Ltd., St. George de Beauce, Que., a Canadian firm bought by British interests.

France

I. Miscellaneous Industries—
1. Henry Pote of Canada, Ltd. ..... Cap de la Madeleine, Que.

The Mail and Empire of April 8 contains an article to the effect that the Dominion Foundries and Steel Company will open up a plant in Hamilton. The Montreal Gazette of April 1 gives a list of firms opening up branch factories in Montreal, including Prolac Limited, Asbestos Manufacturing Company Limited, Victor Hacksaw Manufacturing Company of Middletown, New York, and sixteen others which I shall not enumerate. A recent issue of the Border Cities Star—I assume this is with the authority of the hon. member for South Essex (Mr. Gott)—contained glaring head lines to the effect that the auto factories were awaiting a rush, that improvement was seen in the business as the new Fords were ready, that one billion dollars was invested in the industry, and that the number on the Ford pay-roll had risen from 70,000 to 100,000. Information from eastern Canada is to the effect that the Eastern Hosiery Mills Limited, the Eastern Hat and Cap Manufacturing Company Limited and Eastern Shirts Limited will open in Truro, Nova Scotia. There will be manufactured in this city those socks for which the hon. member for Weyburn (Mr. Young) was famous during the last elections.

Mr. YOUNG: How much will they cost then?

Mr. EDWARDS: They will cost $1.60 per dozen.

An hon. MEMBER: What about the quality?

Mr. EDWARDS: They will be manufactured of rayon and cotton and will be first quality, large size.

[Mr. Edwards.]

Mr. YOUNG: The hon. member has the wrong socks.

Mr. EDWARDS: These plants have not only taken the machinery from their old plants in the United States, but have purchased ten additional machines of the latest type from the W. J. Westaway Company of Hamilton, Ontario. Certain of the machines will be imported from the United States because no hosiery knitting machines of any description are manufactured in Canada. There are not only industries manufacturing new lines, but others are supplementing their regular lines in an effort to increase their business in Canada. Many of these products can be profitably manufactured in Canada, and there is a market here. It can be seen quite readily that the tariff of 1930 has been productive of very good results.

For several sessions I have spoken on behalf of the textile industry of Canada, and I have asked both the former and present governments to give some consideration to this industry. I am sure I have been and will be backed up in this connection by the hon. member for Sherbrooke (Mr. Howard). I shall endeavour to give the house some idea of the extent of this industry, and I intend to devote myself more particularly to the woollen and worsted cloth branches, making some reference to knitted goods and silks. Ramifications of this industry are many and thousands of people are affected, both directly and indirectly, ranging all the way from the farmer who grows the wool to the man who produces the soap and chemicals used in the processing. This industry is second only to agriculture, and the number employed therein

in normal times amounts to about one hundred thousand. The Textile Journal gives the number of employees in 1927 as 58,937 women on wages and salaries, and 41,497 men in the same category. It will be seen that this industry is a woman's industry. In those sections of the country where steel and iron or furniture industries are located, textile mills give employment to a number of the daughters of the men working in the other mills. It is essential to have these textile mills in order to have a balanced community. I think the hon. member for North Waterloo (Mr. Euler) will agree with me when I say that the constituencies which he and I represent in this house comprise about as nearly a balanced community as it is possible to get. It is estimated that about 95 per cent of the farm products of this county are consumed in the county. Therefore the textile mills which employ female labour are very necessary to help balance the labour in this community.

Prior to 1930, and while the King administration was in office, we had constant adjustments of the tariff; we had for instance, the tariff entirely removed from worsted yarn which was carrying a duty of 12½ per cent. What result did this have on our spinning mills? I am speaking now more particularly of the large mills that spin their yarn and weave it into cloth. One in Sherbrooke and another in Hespeler are two of the largest mills in Canada; they spin the worsted yarn from the raw wool and when this tariff was removed, the result was that worsted yarn was brought into this country free of duty and the spinning plants of these mills were closed down. I am not so sure of the one in Sherbrooke, but I know the one in my district was closed. Following this, yarn was brought in from Bradford, England, cheaper than it could be produced in Canada. When this government came into office a net duty of 9 per cent and 9 cents a pound was imposed, with the result that all these mills that had been standing idle are now working at full capacity and worsted yarn is being produced in Canada. Canadian wool in certain proportions is being used.

Mr. YOUNG: What proportion?

Mr. EDWARDS: A small proportion; it is not very large. It is mostly merino wool from Australia and New Zealand that is used, but if the wool in this country is protected and the farmers are given a chance, the proportion of Canadian wool used will be increased.

Mr. YOUNG: If the wool is protected from the weather, the hon. member means?

Mr. EDWARDS: You cannot produce fine merino wool in western Canada. There are two things necessary in producing wool: grazing and climate, and in the west you have neither for producing fine merino wool. But you have facilities for producing certain wools that can be used in Canada and I am of opinion that those classes that can be produced here should be taken care of and protected.

As I said, many plants were entirely closed down. What does this mean to Canada? Textile mills with few exceptions are located in the smaller communities. There are in this country fifty-six mills producing woollen and worsted cloth, and of these fourteen produce worsted cloth. To give the house a picture of what happens to this industry and the effect on the country generally, whether it is assisted or retarded, I may say that these fourteen mills are located as follows:

Locality	Number of mills
Huntingdon, Quebec	1
St. Johns, Quebec	1
Sherbrooke, Quebec	1
Kingston, Ontario	1
Almonte, Ontario	1
Peterborough, Ontario	1
Renfrew, Ontario	1
Toronto, Ontario	3
Hespeler, Ontario	1
Campbellford, Ontario	1
Milton, Ontario	1
Vancouver, British Columbia	1

Mr. RYERSON: There is one in Brantford.

Mr. EDWARDS: My hon. friend beside me says that there is one in Brantford. I do not have it listed.

Tariff item 554b covers both woollen and worsted cloth, and in September, 1930, this item was increased while at the same time, as I have explained, rates on worsted weaving yarns were also increased. These duties were imposed in order to provide employment for the spinning plants in Canada. At the time the change was made in 1930 it was pointed out that while the rates in item 554b would materially assist and improve the condition in the woollen cloth mills, there would be no particular benefit to the worsted mills. The reason is that worsted yarn is much lighter than woollen yarn and they had to absorb the increased duty on worsted yarn without any corresponding duty on the finished product. Let us see what result this had on production:

Woollen Cloth Produced in Canada

Year	Yards
1930	3,660,154
1931	5,591,355

Or an increase under this protective tariff of 52·7 per cent. Worsteds and serges, as I have said, did not benefit by this tariff. Let us see what happened to them:

Worsteds and Serges produced in Canada

Year	Yards
1930	2,036,477
1931	1,998,043

Or a decrease of 1·8 per cent. The increase in employment and production in woollen cloth mills was most satisfactory. Some of these mills are now running to full capacity. I could name one or two big mills with the best equipment in the world that formerly were running about two or three days a week on short time, that are now running to capacity on woollen cloths. I should like at this stage to distinguish between woollen and worsted cloth. Woollen cloths, as hon. members no doubt know, are represented by such materials as tweeds, overcoatings, blankets and that sort of thing. The worsted mills produce worsted cloths and serges. Therefore there is a very large difference in the two lines of cloth produced in the textile mills. That will give hon. members some idea of the different ramifications of the industry and the various lines produced.

The market in Canada in 1931 for worsteds and serges was handled as follows:

	Yards
From Canadian mills	1,998,043
From English mills	3,433,933
From Foreign mills	505,777
Total	5,937,753

It will be noted immediately that the Canadian worsted weaving mills are getting only one-third of the quantity of cloth consumed in Canada. If the position were bettered—and it would take very little to bring that about—and they could get two-thirds or 75 per cent of the Canadian consumption, they would be able very materially not only to increase their plants but to reduce their prices, because the whole thing revolves around production. It is a straight run through the machine and if you can produce in sufficient quantities you can certainly bring down the prices.

In one mill in my constituency, making worsted yarns, they increased their capacity in 1931 about 20 per cent over that over 1930.

Mr. HOWARD: What about their employees?

Mr. EDWARDS: They increased accordingly.

Mr. ST-PERE: What about salaries?

Mr. EDWARDS: The salaries are not too high.

Mr. ST-PERE: Oh, no.

Mr. EDWARDS: May I read from a bulletin issued by the Canadian Woollen and Knit Goods Manufacturers' Association, which says in part:

During the last three months, 1931, the share of the Canadian import market for woollen and worsted cloth supplied by English manufacturers has steadily increased, while the proportion supplied by the foreign manufacturers has decreased. This is the result of depreciated and appreciated currency legislation, combined with exchange, which favours the import of English cloth as against foreign cloth. The effect is cumulative, and as was to be expected, the full effect was not felt until December. The following table shows the percentage of imports for the three months in detail.

Then follows the table giving the imports, which perhaps you will permit me, Mr. Speaker, to put on record:

Percentage of Imports of Cloth in Quantities

Total Imports

	British	Foreign
Nine months ending December 1931	73%	27%
Last three months, 1931	75%	25%
December, 1931	81%	19%

	October, 1931		November, 1931		December, 1931	
	British	Foreign	British	Foreign	British	Foreign
Flannels	65	35	75	25	100	—
Cut pile	52	48	87	13	89	11
Lightweights	61	39	59	41	71	29
Linings	100	—	99	1	100	—
Overcoatings	69	31	85	15	81	19
Tweeds	72	28	85	15	87	13
Worsteds	77	23	85	15	87	13
Other cloths	54	46	62	38	62	38

Following are a few examples of the import figures in pounds:

	British		Foreign	
	Oct., 1931	Dec., 1931	Oct., 1931	Dec., 1931
Lightweights	39,883	41,975	25,329	17,790
Tweeds	23,372	40,415	9,081	6,350
Worsteds	220,175	211,299	65,131	31,816
Flannels	2,333	5,212	1,260	——

Now I want to say a word regarding the knit goods branch of this industry. I am not going to say very much about it because I understand that the hon. member for Haldimand (Mr. Senn) and one or two others are going to present the case for the knit goods industry.

All knit goods such as knitted outer-wear, sweaters, knitted dresses, underwear, bathing suits, knitted fabrics and so forth enter Canada under tariff item 568, with duties as follows: British preference, 22½ per cent net; treaty, 25 per cent; intermediate, 25 per cent; general, 45 per cent. There are 130 mills in Canada producing knit goods similar to those entering under tariff item 568. There is enough machinery in Canada to supply all the requirements of the market. The principal raw materials of this particular industry are wool yarns, artificial silk yarn and cotton yarns. Prior to the September, 1930, budget it was found that knit goods manufacturers could not obtain immediate tariff relief because the French treaty fixed the rate at 25 per cent. I understand that that treaty will expire in June. I wish to draw the attention of the government to the fact that in 1930 the tariff rate on wool yarns and artificial silk yarns was increased so that for fifteen months the industry has been operating with increased tariff rates on raw materials with no compensating duty on their finished product. It is to be hoped therefore that on the expiration of the French treaty in June next a complete survey will be made of the knit goods industry, and while I am not one of those who advocate high tariffs at all, if it is found that the knit goods industry requires assistance then I hope that that assistance will be given.

Mr. YOUNG: What is the duty on yarns?

Mr. EDWARDS: Nine per cent and nine cents per pound.

Mr. YOUNG: What is the duty on the finished product?

Mr. EDWARDS: It is 22½ per cent. The chief cost entering into the manufacture of these goods is labour and machinery. Just to show how the whole country is affected by this situation I would point out that the knit goods factories are distributed over Canada as follows:

Ontario	84
Quebec	29
Nova Scotia	3
New Brunswick	3
Alberta	1
Manitoba	7
British Columbia	3
Total	130

Those factories are distributed right across the country and it will therefore be seen at once how important it is that this industry should be given a chance to succeed. I should like to quote from the following bulletin issued by the Canadian Woollen and Knit Goods Manufacturers Association to show to what extent the British market has been protected. The bulletin says:

The extent of the home market for textiles in Great Britain which was protected by the three orders issued last November is not generally realized. Imports into Great Britain of textile goods covered by these orders in the first eleven months of 1931 amounted to £33,939,240, or approximately $160,000,000. Grouped, they were as follows:

Wool manufactures	£13,033,522
Clothing	5,805,932
Stockings and gloves	5,451,844
Linen	414,256
Cotton manufactures	7,034,647
Manufactures of jute, etc.	2,199,039
	£33,939,240

The export from Great Britain to Canada of similar goods during the same period is shown at £2,915,786; that is, the home market which has been protected for the English manufacturer is roughly eleven times greater than the export market for similar goods to Canada.

The effect in England of the new duties there are reflected in advertisements appearing in the trade journals. One reads: "Thousands of pieces of woollen goods are exported yearly from Poessneck in Thuerg (Germany) to England. Textile expert, experienced in all branches undertakes to manufacture these goods in England," etc., and etc. Another reads: "Manufacturer formerly using foreign mule spun yarn would like to get in communication with English spinner who can replace same," and still another: "Roubaix Spinner, previously spinning low and medium crossbred natural wool hosiery yarns for Nottingham and Leicester districts, is prepared to enter into negotiations with English spinners for sale of his machinery."

That is what is happening in England since they have had this protection. The German people are even offering to sell their machinery to manufacturers in England.

Now just a word about wool. I was very sorry that I was not present when the hon. member for Maple Creek (Mr. Swanston) introduced his resolution on wool. I think I can state pretty clearly the position of the manufacturers in my district, and it is this: I wish to make it clear that the Canadian woollen manufacturers with whom I have talked have raised no objection to a duty being placed on empire wools to protect the Canadian sheep grower provided compensating duties are placed on all customs items covering semi-manufactured or fully manufactured goods made from wool.

The branch of the wool industry which produces the greatest value of manufactures of wool is the knitting industry. The knit goods industry was not protected in 1930 or 1931, and in my opinion duties cannot be placed on wool effectively or without seriously affecting the knitting industry until the French treaty is out of the way and the knitting industry is protected.

In the riding of South Waterloo, which I have the honour to represent in this house, there are two large silk mills. Of course, there are many others in other parts of the country. I wish to take a few minutes of the time of the house to quote from two bulletins issued by the Silk Association of Canada, which very clearly set forth the position of this very important and ever growing industry. The Silk Association of Canada in its bulletin of January 13, 1932 says:

> Substantial increase in employment in the full fashioned hosiery mills in Canada in 1931 over 1930 is indicated by comparative production and sales figures now available. For seventeen out of the twenty-one mills in Canada the comparative figures for the nine months ending November, 1931, show an increase of 1,146,600 pairs over the same period in 1930, while the actual figures for hosiery shipped during the same nine months' periods are: 1931, 9,948,360 pairs; 1930, 8,787,156; increase in 1931 over 1930, 1,151,204 pairs. All full-fashioned hosiery now used in Canada is produced in Canada, the imports for the period in review of all classes of silk hosiery, men's and women's, circular and full fashioned, amounted to only 49,392 pairs. As Canada was machined to supply all requirements in normal times, there was no machinery expansion in 1931, present general conditions not warranting any increase.

In its bulletin of January 27, 1932, the Silk Association of Canada gives the number of broad silk looms in this country, with the number of yards produced. It says:

> Reports from individual mills indicate a substantial increase in production and employment in 1931 over 1930, particularly since last June when tariff changes were made. The effect of this change is strikingly shown by the import figures of silk fabrics, dyed and finished, for three-month periods during 1931.

Then it gives the figures by quarters, but as my time is nearly up I will simply say that the importations for 1931 declined steadily in each quarter, with a total importation for 1931 of 5,944,487 yards, valued at $3,031,738.

I listened very carefully during the debate on unemployment to hear if some solution would be presented that had not already been advanced by the government of Canada, and I heard none. I want to advance this suggestion, for whatever it may be worth. Prior to seven, eight or nine years ago it was customary for travelling men to go out selling seasonal goods produced in Canada, goods which have always been required in this country. For instance, a man would go out on March 1 to sell underwear, and have his sales completed by May 1. Those goods would be shipped in August or September, and terms of either thirty days less a discount or ninety days net would be given. The result was that the mills had orders, men were engaged, and the financing of operations was carried on under genuine orders. The goods were delivered in the fall and were not paid for until sold. I think that was a very satisfactory way of handling the matter. That condition applied to many lines, particularly those which owing to climatic conditions are required in Canada. That practice is being followed and must be followed in connection with purchases from foreign countries. Why could it not be carried out in Canada?

We will suppose a man requires fifty dozens of a certain article. He does not necessarily place an order for fifty dozens, but due to his expectation that he will do business equal to the business of the past year, he may place an order for half the quantity. If the half quantity could be secured in the manner I have described I am sure our unemployment situation would be very materially relieved, and with expense to nobody. I offer that suggestion, believing it to be workable. To make it effective extensive educational propaganda would have to be placed in the newspapers. I believe that sustained advertising of any particular line will make it known.

Mr. HENRI BOURASSA (Labelle): Mr. Speaker, will my hon. friend from South Waterloo (Mr. Edwards) excuse me if I do not follow his argument? With a good deal of what he has said I could agree; but the tariff is not the issue now before the house. The Minister of Finance (Mr. Rhodes) has made it quite clear, the government does not

contemplate at this session to express any opinion or offer any tariff policy until after the Imperial economic conference; and in that attitude I think they are right.

I wish to put myself on record candidly and clearly with regard to the three proposals now before us: The subamendment moved by the hon. member for Acadia (Mr. Gardiner), the amendment moved by the hon. member for Shelburne-Yarmouth (Mr. Ralston) and the budget proposals.

With much that the hon. member for Acadia has said I fully agree, especially with his denunciation of the capitalistic system. I am fully convinced, and have been for many years, that that system, as practised throughout the so-called western world, but especially in North America, is bound to bring dire results. War has merely accentuated the evil consequences of that system, and precipitated the issue. But with all due deference, may I say to my hon. friend from Acadia that he has not fully covered the ground. He has truly stated that the so-called capitalistic system has been of very short duration. Nothing indeed is more inaccurate than the prevailing opinion that capitalism is the basis of our economic and social fabric. The origin of capitalism, according to the member for Acadia, is the discovery of steam and its application to industry. May I embroaden the statement and say that what has been termed the mechanization of industry is but a material factor which has contributed to the building up of the capitalistic system. To fully understand the problem and its consequences, one has to go further and, as in everything human, to find out the moral and social factors. With my very short studies of economics and sociology I consider the two main sources out of which this system has arisen are to be found in the French revolution and in the doctrines of the Manchester school in England. First, there is the French Jacobinistic theory of unlimited rights of individual property, and then the Manchester advocacy of laisser faire and laisser passer. Applied to the condition described by the hon. member for Acadia, to the mechanization of industry, these two schools of thought have brought the uncontrolled concentration, first of capital, and then of potential wealth in the hands of a few individuals who are practically beyond control. These men, or corporations, have now in their hands, not only the sources of wealth of the masses of the people, but they practically control the sources of credit of the state. When I use the word state I use it in the broadest sense, including federal, provincial and municipal governments.

What has been the result? Within the last twenty or twenty-five years, the irresponsible masters of that system have not only concentrated real wealth and capital sources of production, but they have created artificial wealth. They have created so-called capital and issued paper in the form of stocks, debentures and titles of all sorts, which have no reality. The gullible public have purchased that paper; it has been broadcast, and the masses of the consuming public are paying interest upon false capital and giving to it a value it does not possess.

The credit of the country maintained through the banks and large financial institutions has been lent as a moral—or should I say immoral—support to that fictitious capital. The condition existing in Canada exists on a much larger scale in the United States, and in practically all the countries of the western world. I say now, weighing fully my remarks, that the best incentive which can be given to the doctrines and practices of extreme socialism, even in the form of bolshevism, is not by allowing the distribution of a few pamphlets, or the making of a few silly speeches in some dark corners of the cities of Montreal or Toronto, but by lending the authority of parliament and the government to the maintenance of a system which is just as immoral and anti-social as the system now being practised in Russia.

If this is true—and I am, and have been convinced for many years that it is—I venture to say that the remedy offered by the hon. member for Acadia is altogether insufficient to cure the evil. Nationalization of currency is a pretty broad expression. In what form it could be practised, or how it could be executed I am not sure; the hon. member has not quite explained. As I understand it he wants the country, through the inflation of money and the control of currency, to pay its debts at an easier rate than the present value of state paper. That might be discussed, though I think it should be discussed internationally. I do not think the situation of Canada or of any other country will be remedied until there is a courageous international understanding to bring down all debts of all countries.

But where I differ still more with the hon. member is in the suggestion that we should have an artificial inflation of money in order to enable people to purchase more. Would it mean purchasing more or simply giving a few more pieces of paper—inflated paper—to purchase the same quantity of goods? I do not see where the people would be better off. I agree much more with the proposal made

last year by the hon. member for Winnipeg North Centre (Mr. Woodsworth), that the evil from which we are suffering is not the dearth of wealth or of production but the lack of proper distribution, and I fail to see how by increasing the number of pieces of paper which people accept as the standard of wealth we will foster that better distribution.

Suppose we increase the number of bank-notes or government notes, what will it mean? It will mean that if the man who to-day has 100,000 dollar bills, worth perhaps ninety cents, gets double that amount of paper, he will be worth $180,000, nominally. The poor man will double his small amount of money, and the rich man will double his large amount of money; but this will not equalize anything—unless there is some method not contained in the proposal by which we will take from the man who has too much and give to the man who has too little. It may come to that. Certainly, if the so called captains of industry and the chiefs of the large financial institutions do not open their eyes to the situation and come to an understanding with the leaders of state, whether federal, provincial or municipal, and create of their own goodwill and through a sense of the realities, a better distribution of wealth, a time will come—and probably sooner than we expect—when the distribution will be enforced by brutal means. That I do not wish, and for that reason I think it is better to deal with the evil now rather than to shut our eyes to the danger that lies ahead.

Being an old-fashioned man, Mr. Speaker, with a limited knowledge of economics, I think many of the remedies that have been propounded in this and other countries since the war, have one defect: they lack the good old quality of simplicity. I do not think any artificial means, legal or financial, will cure the evils of the world, and our own particular evils, until we all come back to our senses. Public bodies and individuals have more or less lost their heads for the last twenty years. The period of the war, and the short period following it, was a time of intense inebriation. What we need now is to get sober; but not by the old method of taking more gin or whiskey in the morning to cure the headache caused by the intoxication of the preceding evening. At one time that was very much the fashion, but I think that practice has been eliminated by common sense and proper hygiene. What we want is to get sober in the true sense of the word. We must get more economical. People should not be shown a way of spending as much or more money; they should be shown the way back to common sense by spending less. That is the lesson which should be learned and practised first by governments, by public bodies, by great industrialists and by all men who spend a good deal of money. It should be learned by all classes of people, from the wealthiest to the poorest. We must get back to the point where we live according to our means; and when we get to that point the poor will be entitled to better care by the rich and by public bodies.

The immediate object which this government should have in mind is a reduction in debt and in expenditure. Of course they have to discriminate; of course they have to think of the immediate needs of the people who must be helped; but frankly if the present Minister of Finance (Mr. Rhodes), who is a man of common sense and of judgment, had been given time to look at the figures showing the expenditures of each department of the government and compare them with the expenditures of each department twenty years ago, would he not have found some means of reducing the expenditures of the country to a much larger extent, at the same time giving the people who are in dire need what they may require in the way of work, food and clothing?

Then we want a reduction in debts. I am not going to discuss that question at length, because in order to cover the whole issue one would have to consider the international situation. May I simply suggest to the government that they should miss no opportunity in their relations with the British government and with foreign governments, at Geneva and elsewhere, to enhance and foster against all odds and upon all occasions the need of a reduction and even of a cancellation of all war debts? Until that has been done, the world will find no rest, and there is no possibility of an adjustment.

Now, sir, I come to the amendment proposed by the hon. member for Shelburne-Yarmouth (Mr. Ralston). May I say that I read his excellent speech with much interest, particularly the first part of it; but to speak quite frankly, when I came to the end of his remarks and read the amendment I was simply dumbfounded. He gave a broad criticism covering the whole of the budget, with breadth of mind and common sense, and then reduced it all to a small motion confined to the tariff. It seems as if the tariff question has monopolized the minds of a certain number of members in this house; but surely men of broad views, possessing a fair

knowledge of things social, economic and political, ought to realize that in the present state of affairs the tariff is but a small issue in our whole economic problem. Of course, the tariff has to be considered, and I recognize the right of every group and every individual to their own views in that regard; but when the government comes along with a budget which practically does not touch the tariff at all, how can the opposition gain much confidence throughout the country by reducing its policy to a consideration of the tariff?

Possibly it may be said that in his amendment the hon. member condemns the policy of the government in dealing with these matters by order in council. Well and good; but why was not the amendment so framed as to condemn the policy of dealing with all matters by order in council? I offered the opposition that chance last year, when I presented a motion condemning the practice of determining policies by orders in council, especially in relation to the Russian embargo; but, frightened by fits of terror on the part of some of their friends from Quebec because the word "Russia" was mentioned, they did not dare vote for a motion condemning in much broader terms the policy adopted by the present government of dealing with these matters by orders in council. In the present amendment the opposition condemns only one policy effected by order in council. I suppose next session they will move another amendment condemning the order in council dealing with insurance companies; two years hence probably they will move another amendment condemning the order in council dealing with bank values, and three years hence they may move still another amendment condemning some other order in council, and so on, until after a decade the people of Canada may be able to find out what is the policy of the Liberal party.

Mr. SPOTTON: They never will.

Mr. BOURASSA: If they do not, they will find out the sooner what is the policy of the Conservative party, and the Liberals will benefit thereby.

Now to come to the budget. My hon. friend the Minister of Finance has received so many compliments that I am diffident about adding to them. Undoubtedly all those compliments are deserved. As an old-fashioned man, may I add one observation? He has proven that even in the exposition of a dry summary of figures, it does not spoil anything to be a gentleman and speak as a gentleman.

An hon. MEMBER: Is any comparison meant?

Mr. BOURASSA: All comparisons are odious. If the task of the government—and I presume they consider it as such—is by their budget to apply to the problems of the next twelve months a fairly safe and makeshift policy in order to collect money enough to pay what they expect to spend, then I think it is a good budget. Taking only the financial aspect, I do not begrudge the Prime Minister all the praise that he deserves in that respect. He has a great capacity in those matters. Of all the public men in Canada to-day he is probably the best financier. And he has proven it in the last twelve months. His followers having empowered him to rule as a dictator, parliament having abdicated to him, I will not say its rights, but its functions and duties, he is undoubtedly the best man to deal with the purely financial aspect of the situation. One of the Prime Minister's followers, in his juvenile enthusiasm, has said that the right hon. gentleman outshines Mussolini. Perhaps next year someone will say that Napoleon Bonaparte is blushing in his tomb at the idea that a much bigger man has succeeded him in the estimation of the world. But, I repeat, all comparisons are odious.

Simply on the matter of finance, authority having been given to the government to meet the situation as they please, I think the Prime Minister has done what he should have done, and has done it well. His order in council to prohibit the export of gold, the moment the government found out what the result would be of the sudden change of policy in Great Britain, was effective. The manner in which he launched and reaped the result of his conversion loan was excellent. I do not share the view of my friend from Shelburne-Yarmouth, that the Prime Minister does not deserve any credit because the people of Canada gave him the money, and will lose by the exchange of their loans. From the purely financial point of view, it was very clever on the part of the Prime Minister to take advantage of a moment of panic, when the people were afraid to risk their money in industry or elsewhere and were gathering up their capital and savings, to invite them to give him that money. So long as the people of Canada and the money investors trust the Prime Minister, it was very clever on his part to hold out his hand and grab their millions at the moment he did—and the treasury has been benefited thereby.

With regard to the national service loan, I am bound to express some little doubt.

When the loan was launched and over-subscribed, the Montreal Gazette—which is one day of the week the organ of the Tory party in Ottawa, another day the organ of the so-called Liberal government in Quebec, and all other days the organ of the Bank of Montreal and high finance—the Montreal Gazette expressed its horror at the idea of the government of Canada accepting $71,000,000 more than what had been asked for. It considered this a breach of faith with the subscribers because the amount asked for was to be limited to $150,000,000 and was for a precise object. Well, although I had no brief from the Prime Minister and his government to plead their case against the Montreal Gazette, next day I came out with an expression of my doubts as to the validity of the criticism of the financial men at the back of the Montreal Gazette. First, I dealt with the object of the loan. All that the prospectus —I have it in my hand—mentioned was that the proceeds of the loan would be used "to promote the economic and financial welfare of Canada." There was no limitation, it was just like the carte blanche which parliament gave the Prime Minister. Suppose the Prime Minister had seen fit, for "the economic and financial welfare of Canada," to erect to himself a statue, as did Nebuchadnezzar in years past, he could have spent $50,000,000 of that loan on a golden statue of himself somewhere in this city, and he would have been within the terms of the prospectus. He is to be congratulated on not having abused the carte blanche which was given to him by parliament in this regard as in all others.

But where I think the government went a little beyond the mark was in the use they made of the surplus. Of course, it was sheer nonsense to say that by accepting the $71,000,000 the value of the other $150,000,000 was diminished; ridiculous. There is no such thing as first, second or third mortgages for the various creditors of the government of Canada. All the resources of Canada are pledged to her creditors, whatever piece of paper they may have in their hands or their portfolios. Therefore, I submit the government was not at fault in accepting the over-subscription, but the use they made of it, I think, is matter for fair criticism. In his speech the other day the Minister of Finance explained that out of the surplus the government advanced $11,600,000 odd to the provinces, and devoted about $41,000,000 to cover deficits of the Canadian National Railways. Well, although nothing was mentioned in the prospectus, I do not believe that anybody who subscribed the $221,000,000 thought the government would make use of any portion of it to cover a part of the deficits of the Canadian National Railways so as to enable them to bring down a better budget. I will come back to that in a moment. It was centainly not contemplated, it was not mentioned, and I believe the sooner the government take steps to apply the whole of the $221,000,000 in reducing the outstanding debt of the country, or rather in substituting these new securities for the old securities that may become due before long, the closer they will be to carrying out their moral obligation towards the people of Canada.

With regard to the advances to the provinces, I have no hesitation in saying that the federal government only did what it had to do. I am not referring to the amounts or to the manner in which they were paid, I refer only to the basic principle that the government of Canada, being responsible for the credit of Canada as a whole, has not only the right but the duty to see that no public body in Canada goes by default and thereby creates a feeling in the financial world which will react against the credit of the government of Canada. So, in that respect I think the government did right. On the other hand, I do not agree absolutely with the view expressed the other day by the hon. member for North Winnipeg (Mr. Heaps) in connection with the observations of the hon. member for Shelburne-Yarmouth (Mr. Ralston) in this regard. I do not think the criticism of the hon. member for Shelburne-Yarmouth warranted the comment that he was merely raising a technicality against these advances. The government did what it should have done, and what it may have to do again in the future, in coming to the rescue of the provinces; but surely some basis must be arrived at whereby the provinces and the government respectively would not be in the position of bankrupt clients at the mercy of their banker. As I understood the hon. member for Shelburne-Yarmouth, that was his contention, and in that respect I fully agree.

Mr. RHODES: I believe my hon. friend desires to be absolutely accurate, but I think he is in error when he says that Canadian obligations have been retired to the extent of $41,000,000. What I did say was that fifty odd millions were taken up in retired debts.

Mr. BOURASSA: I think the statement appears on page 1758 of Hansard; one column shows the Minister of Finance dealing with part of the deficit of the Canadian National Railways, and the other column shows him dealing with the provinces.

Mr. RHODES: These are the exact words:

As of this date, $50,745,000 of debt has been taken up, while over $11,600,000 is temporarily invested in provincial treasury bills.

Mr. BOURASSA: Later on the minister dealt with the Canadian National Railways.

Mr. HACKETT: That is temporary.

Mr. BOURASSA: That is dealt with at the head of the second column of page 1758.

Mr. RHODES: That has no reference to the surplus.

Mr. BOURASSA: Quite so, but there is something much more important than that. The duty of the government is not merely to make matters more or less right for twelve months. It has undertaken the obligation of providing some remedy, some permanent remedy for the situation now confronting Canada. Then I say that the matter of finance, important as it is, concerns only a small portion of the situation.

It may be considered to be a hobby of mine; but I have long advocated the necessity of a complete recasting of our taxation system. This system has grown up haphazardly through the various changes in government and the necessities of the times; but since the war, and largely on account of the war, the economic, social and financial condition of the world has been so completely altered as to make it impossible to maintain unaltered the old systems of finance and administration. I do not contend that these systems should be discarded entirely, but I do say that a deep study of these matters should be made by thinking men, irrespective of party and political creeds in matters of trade or tariffs, in order to find some basis of taxation which will result in bettering conditions for the people of Canada. It has been written of late, and I think quite rightly, that perhaps the greatest administrator in England during the last two centuries was Robert Walpole. This man's name was long a matter of obloquy, his reputation was much discussed; but in my opinion, in matters economic, he rendered better service to Great Britain than any other man. The permanent results of his policy were brought about because of the fact that in all matters of taxation and finance he endeavoured to arrive at a proper apportionment of sources of profit and of state burdens as between the different classes of the community. He was not a man of the city, he was a man of the country; he was not an instrument of the tradesmen, the agriculturists or the industrialists; he wanted to make matters such that all classes should derive a proper share of benefits and contribute a proper share of support to the maintenance of their country. I think the same thing might be said, although to a lesser degree, of Mr. Gladstone as a chancellor of the exchequer.

In connection with the income tax, I approve heartily of the reductions made in the exemptions. On the whole the proposals of the government are far in advance of those of last year. Nevertheless, I suggest, as I have suggested to predecessors of the minister, that in order to give social and economic justice, there should be a sharp difference as between salaries earned from year to year and income derived from invested capital. Proper means should also be taken to prevent debenture holders from defrauding the state as they have been doing ever since the income tax was established. These people do not declare their coupons because they are paid through the banks. I was told repeatedly by the late Mr. Leroux of Montreal, a gentleman who gave excellent service to the crown, that he was convinced the government had lost millions of dollars in the case of his own office alone. I have been told also by different accountants in Montreal, the most respected men in their profession, that estates with incomes of between $20,000 to $30,000 have not paid one cent of income tax for years, because all their holdings being invested in debentures payable to bearer, no declarations have been made, and no trace left of the evasions. In the past, I have suggested the affixing of a stamp to the coupons, as is done in England; but I have come to the conclusion that this would not be sufficient; the holders of large quantities of debentures would pay simply so much per hundred instead of paying on a sliding scale. The only way to handle these debentures is to adopt the method used in the case of stocks; force the debenture holders to inscribe their debentures, and then force the company to give a yearly report of the debentures inscribed, just as is done in the case of dividends paid on stocks. In this way the government could reach the debenture holder as it reaches the shareholder.

I come now to the excise tax. Why should not the government call this tax by its true name and term it a special customs duty? It is not an excise tax, it is a customs duty levied over and above the ordinary rates established by the customs tariff.

With regard to the sales tax, I claim, without discussing the rate now, because I have no time, that the tax should be levied at the

end and not at the root; in other words, that it should be paid by the consumer when he purchases his needs instead of being charged to the manufacturer or the wholesale merchant. Under the present system the people do not know what proportion they pay to the government, what to the retailer, what to the wholesaler and what to the middleman. My authority for making this suggestion to the government is one which I think will commend itself to members on the other side of the house, that of their own Prime Minister when, sitting on this side, he stated emphatically that one of the essential things connected with taxation is that it should be visible. This kind of invisible taxation which enables a series of intermediaries to pile up profits, dividends and interest upon the sales tax they have paid to the government, is wrong. The government does not get the whole amount and the ratepayers do not realize what they are paying.

I shall not dwell upon the question of trade. I am glad, however, the hon. member for Shelburne-Yarmouth once more pricked that old bubble, a "favourable balance of trade." I well remember in the old days, disputes, discourses and debates between the two parties, the two main speakers of which were then Sir Richard Cartwright and Sir George Foster. How many illustrations and counter-examples I have heard about the favourable balance of trade! To reduce the question to an argument ad absurdum which should appeal to the common sense of the Minister of Finance, supposing by your trade policy, or as a result of existing conditions, all the imports of Canada were reduced to $500 and our exports reached the high sum of $1,000. Of course, you would have a favourable balance of trade of 100 per cent over your imports; but where would the Canadian people be? Undoubtedly, these things are very complex. I well remember the great fight in England on Mr. Chamberlain's proposals for trade reform. The strongest argument made against his reasoning about the decline in the trade balance was that of Mr. Asquith, regarding the amount of invisible trade, for example, the value of the shipbuilding industry and of the shipping trade, which were not tabulated in trade returns, but which meant to the people of England much more than the difference between imports and exports. I am giving that simply as an example to show that this shibboleth of favourable balance of trade does not mean much. What counts, after all, is what every man is capable of selling, what he gets for what he sells, what he is capable of purchasing, and what he pays for his purchases.

In closing may I say that if the budget is looked upon as a balance sheet of a private corporation, then it is a fairly well balanced sheet—with this little difference between a private concern and the government, that the Minister of Finance will endeavour, by taxing the people of Canada, to make good the deficit. Of course he does not expect that with this new taxation he will overcome his deficit next year; he knows he will not, and it would be far better to let the people of Canada know this. I suppose, as we do with children, he wants to give the medicine by doses, but I do not believe in deceit. It is just as well to tell the Canadian people that we are in for a few more black years; that they must prepare to pay more and to be more in debt, and therefore they must economize, economize and economize. The government and all the public and financial bodies should show them an example in this regard. It is no use buoying up the people with false hopes—

Mr. SPEAKER: The hon. member has spoken for forty minutes.

Mr. BOURASSA: May I finish my sentence? All I want to say is this: I hope next year the Minister of Finance, after twelve months' experience, will present a budget as sensible as this in viewpoint of immediate accounting, but with a much broader aspect with regard to the deeper and general problem of fiscal and financial readjustment in Canada.

Mr. C. B. HOWARD (Sherbrooke): Mr. Speaker, I should like first to congratulate the Minister of Finance (Mr. Rhodes) on his appointment to his new position, and also on the businesslike way in which he presented his first budget to the house the other day. I want also to say, so as not to cover the same ground except in a couple of places, that I agree one hundred per cent with the remarks made by the hon. member for Shelburne-Yarmouth (Mr. Ralston) the other day in criticism of the budget. I must say that the budget was no surprise to me and was exactly as I had expected it would be, because after nearly two years of administration under the present government it is not surprising that the public debt should be increased. During the last seven years, from 1924 to 1930 inclusive, when hon. members on this side of the house were in power, the public debt of Canada was reduced by $276,000,000. Against that we must contrast conditions as they have been since the present government has been in power. According to the funded debt state-

ment as supplied by the Minister of Finance in his budget speech, the figures are as follows:

Year	Funded debt
1930..	$2,194,000,000
1931..	2,319,000,000
1932..	2,501,000,000

In other words, in the last seven years of the Liberal administration the funded debt was reduced by $276,000,000, whereas in less than two years under the present government it has been increased by $307,000,000.

Mr. HACKETT: Will the hon. member tell the house what is the relative position of the United States during the same period?

Mr. HOWARD: That is the argument which is usually put up in the house, and I should like to make this statement frankly: I cannot see what that has to do with Canadians. What I am interested in is the position of the people of Canada.

In passing, may I make this suggestion to the Minister of Finance, and I am sure in his fairmindedness he will accept it; when he presents his next budget twelve months from now, I would appreciate it very much if he would have it translated and presented to the house in both languages at the same time. There are many French newspapers throughout the country and it is a great hardship to them to have to translate the budget and publish it at the same time as it appears in English newspapers.

I remember sitting in the house last year when the former Minister of Finance, the present Prime Minister (Mr. Bennett), presented his budget. As reported on page 2168 of Hansard of 1931, he said:

> I shall come first of all to a statement of anticipated revenues and expenditures. I will admit that this is the first time for many years that this country has had a budget.

Then he estimated the revenues at $410,000,000, and he estimated that there would be a deficit of $7,000,000 in the operations for the past twelve months. Now for that period for which the former Minister of Finance estimated there would be a deficit of $7,000,000 we actually had a deficit of $119,000,000. In other words, the former Minister of Finance was $112,000,000 out in his calculations for those twelve months, and that is some difference.

The hon. Minister of Trade and Commerce (Mr. Stevens) criticized very severely the manner of presentation of former budgets. May I say to him in passing that in comparing the two administrations, we want the Liberal government to be judged on performance, and I am sure that the present government will have to be judged on its promises. In presenting the budget the other day the Minister of Finance on page 1751 of Hansard gave a summary of all revenues for five-year periods. I shall take only the figures for the last year of the Liberal administration, as given by the Minister of Finance. The revenues in 1930 amounted to $446,000,000, and during the past year they dropped to $334,000,000, or a decrease of nearly $112,000,000 under the present government as compared with the last year under the former administration. Against those revenues, according to this same table supplied by the Minister of Finance, the expenditures during the last year of the late Liberal administration were $398,000,000, and last year the expenditures under the present government were $454,000,000, or an increase in expenditure of almost $56,000,000, plus a declining revenue of $112,000,000. If we were the directors of a corporation whose business manager presented any such statement as that to the board, I leave it to the judgment of the house to say what would happen to him.

Dealing as concisely as I can with some other figures which I wish to give to the house, the estimated taxation revenue for this year is $273,000,000, and with the tax increases proposed that amount should be raised to $319,000,000. The Finance minister estimates that at the end of this year's operations he will have a surplus of $4,300,000. Well, all I can say with regard to that estimate is that I hope the year's operations will come nearer to the estimate than was the case with the estimate of the former Minister of Finance.

I do not wish to criticize the budget in detail, but there are a few comments which I wish to make before taking it up in another way. First a word as to the sales tax. The Business Week of March 16, 1932, commenting on the sales tax, says:

> Heavy sales taxation is a stigma that attaches to the fiscal system of every backward and benighted nation, and is an underlying cause of their backwardness because it retards business expansion and the development of new industries.

If, as some hon. gentlemen opposite suggest, the sales tax is to be passed on to the consumer, then it immediately becomes a poor man's income tax. Take the case of two men, one with an income of three thousand dollars and the other with an income of ten thousand dollars. The house must realize that regardless of what a person's income is, almost any two people will consume about the same

amount of certain commodities—soap, for instance. The sales tax on soap will therefore represent a greater percentage of the three thousand dollar income than of the ten thousand dollar income. On the other hand, some hon. gentlemen may say that the manufacturer will absorb the tax. Let me give an illustration in that connection. In the city of Sherbrooke a certain manufacturer is producing a product which sells in the markets of the world to the amount of $100,000. In an adjoining city another manufacturer is producing a product which sells to the amount of $100,000. Each of these manufacturers pays $6,000 into the treasury under this proposed taxation, but if one manufacturer has a profit of $15,000 on his turnover, and the other a profit of $20,000, it means that the man with the less profit will pay 40 per cent as compared with the other man's 15 per cent, and that I say is unfair.

I notice that the stamp tax on cheques has been raised to six cents on every cheque over $100. I cannot see that that will make much difference because during the last year and a half the cheques drawn in my constituency for over $100 were very much fewer than they used to be.

But if we are to accept the budget as the inevitable consequence of the government's policies in the past, I appeal to the government now to say what their policies are going to be in the future to remedy the situation in this country within the next twelve months. What is their policy to be in connection with industry during the next twelve months? What is their policy to be in connection with agriculture, and every member of the house knows the deplorable condition of agriculture in this country? What is their policy to be in connection with unemployment? What is their policy to be in connection with finance? What is their policy to be in connection with trade? If this budget is to be imposed upon the people and the people are to be called upon to deny themselves to meet this increased taxation, we have a right to know what the government policies will be upon the five subjects that I have just enumerated.

Touching for a moment on the trade figures, I find that in 1930, the last year of the Liberal administration, the total foreign trade of Canada, imports and exports combined, was $2,393,000,000. One year later, in 1931, that figure had shrunk to $1,723,000,000, and for the year ending March 31, 1932, the figure had shrunk still further to $1,166,000,000, or less than fifty per cent of what the trade of this country was when the Liberal government went out of power. I attribute a great deal of that shrinkage in the trade of this country to the tariff policies of this government, and again I ask the government, what is their tariff policy going to be in the next twelve months, so that industry and agriculture and labour will know what is going to happen to them. I notice that in making these remarks I am in agreement with the present Minister of Railways and Canals (Mr. Manion) who, at page 2636 of Hansard of April 20, 1926, condemned the government of that day because they had made tariff changes without first referring them to a tariff board for consideration, and he moved an amendment which concluded with these words:

> And this house regrets that in the case of drastic changes announced in the budget such assurances—

That is, assurances to refer the proposed changes to the tariff board:

> —have not been fulfilled.

I ask him this question: During the last twelve months how have the changes in the tariff been made? When I ask for a statement of the policy of the present government, I must refer to the remarks of the hon. member for Labelle (Mr. Bourassa) who said that these changes should be decried by everybody because they were not made on business principles. I believe those changes were made in the manner described by the hon. member for Shelburne-Yarmouth, because of pressure in certain places by certain manufacturers who either were or were not friends of the government. The changes in the tariff which have been made by order in council I would call grasshopper tariff regulations, and I make that classification advisedly. After all, if there is one thing which requires stability, certainly that thing is the changing of the tariff. A man wants to know what the present tariff on an article is, and what it is going to be. After he has shipped the goods he does not want to learn that the rate has been changed to such an extent that he cannot enter the market.

The two greatest problems before Canada to-day are those concerning our railways and the deepening of the St. Lawrence river. Neither of these matters has been submitted to the house during this session, and the subjects which have been brought up for discussion, and most of the bills considered, have been of very little interest to Canada. Certainly their importance is small when we compare them with the outstanding questions we should consider. I should like to draw to the attention of hon. members the position,

as I see it, of labour, agriculture and finance. Two years ago government financing was done at an interest rate of only four and one-half per cent. At that time labourers were receiving about forty cents an hour, and receipts for agricultural products were on a fairly profitable basis. What is the position to-day? I think the conditions obtaining in this particular connection are more serious than any other phase of the problem. The rates of interest on government financing have increased to five per cent, six per cent and six and one-quarter per cent. Wages have gone below twenty cents an hour, and the prices for agricultural products are lower than they have been during the past twenty-five years. This condition of affairs cannot continue. The rate of interest on money cannot be maintained by depreciating the wages paid to labour and the prices of agricultural products. The rates of interest must come down to a reasonable basis; wages must go up, and there must be fair receipts on the sale of agricultural products, if we are to maintain a business equilibrium in Canada.

I shall now direct my remarks to the question of unemployment, and appeal to the government to proclaim their policy for the next twelve months. I do not like to repeat the promises made, but I am tempted to quote the words of the Prime Minister at Regina on June 12, 1930:

> This is a new country, and there is no excuse for unemployment in Canada if a government does its duty.

Speaking in Moncton on July 10, he said:

> The Conservative party is going to find work for all who are willing to work, or perish in the attempt, and take such steps as will end this tragic condition of unemployment and bring prosperity to the country as a whole.

And then this further appeal was made to the electors.

> Mr. King promises consideration of the problem of unemployment; I promise to end unemployment. Which plan do you like best?

For the information of hon. members I should like to present some figures concerning unemployment. I have before me a list of unemployment statistics for about twenty countries. These figures, which are for the last twelve months, show that Great Britain is second from the bottom, unemployment in that country having increased only 12 per cent. Canada, however, is fifth from the top, unemployment having increased by 80 per cent. I have before me a letter from the secretary-treasurer of the city of Sherbrooke comparing the unemployment situation of 1931 with that of 1932. The total number of unemployed in Sherbrooke in 1931 was 1,201; to-day it is 1,812.

I should like to outline the assistance given to the unemployed in the city of Sherbrooke. Possibly the facts I am about to disclose will indicate at least one reason why agricultural products are selling at such a low level. Single men are allowed to work one day per week at 25 cents an hour for an eight hour day, yielding $2, on which they must subsist. Married men without children receive two days work each week at the same rate, yielding $4; married men with families work three days a week at the same rate, and receive $6. The total number of unemployed who got employment from the city in the year 1931 was 945; this year on February 24, 1,614 were receiving employment.

In the city of Sherbrooke we supply those without funds with free wood, and I should like to run over a few of the figures in this connection. I shall place on Hansard the following record of delivery of wood:

Month—Year	Amount
October, 1931	213 loads
November, 1931	361 loads
December, 1931	766 loads
February, 1932	949 loads

Month—Year	Amount
October, 1930	148 loads
November, 1930	270 loads
December, 1930	613 loads
February, 1930	770 loads

This shows the situation as to unemployment relief. I suggest when the government asks for increased taxation, at least it should tell the house its policy in connection with unemployment relief.

I should like to tell hon. members something about the industrial situation in Sherbrooke. A few days ago the Prime Minister referred to the silk industry of that city, and made the statement that that industry was in a prosperous condition. We have two silk industries in Sherbrooke which produce 60 per cent of all the full-fashioned silk hosiery manufactured in Canada, or ten per cent more than half. Those industries are fairly prosperous, although I shall give some figures in a few moments which may indicate that during the past year sales have been much lower. The profit is lower than it was previously, the 3 per cent excise on the raw material, the ten per cent depreciation in currency, the eleven per cent profit tax, and

the six per cent sales tax will be detrimental to those industries. I am waiting to learn the result of next year's operations.

Our specialty steel manufacturers, which used to employ 75 hands, now employ only 15. This year those employees are working only 28 hours per week as against 35 last year. There is a wage reduction of ten per cent and the foundry is closed entirely. Further, I shall relate the conditions in connection with our largest steel manufacturing industry. The pay-roll to-day shows 200 or 300 men less than it did at peak periods, and in that large industry the foundry is closed alternate weeks. This year the plant is operating only four days per week, while last year it operated five.

One of our textile industries has dropped twelve employees; they are paying $500 per week less wages, and the value of their product has dropped 40 per cent. Another textile industry which formerly employed 1,500 hands employs now only 200 or 300, some of which work two days and others three days per week. Only a few work the full week. Another industry reports that business has dropped 40 per cent during the last year; it has reduced the number of its employees 20 per cent, and is working four days a week as compared with five and a half days last year. Another steel industry states its profits this year are much less than they were last year; they are working one hour less per day and the number of employees has been reduced by ten per cent. Here is a rubber industry doing only one-half the business of last year, with wages 15 per cent less and the number of employees reduced by 10 per cent. Here is another steel industry; whose volume of business this year is only one-sixth what it was last year; wages are down 25 per cent; the number of employees has been reduced 40 per cent and they are working a seven-hour day and a five-day week as against a ten-hour day and six-day week last year. Another steel industry which ordinarily employs about 150 men last year employed about 80, and I consulted the manager of that company last Friday and found that the company was now employing only 7 men. Consider what that means, with the overhead and everything else, and only 7 employees working. It means the company will have to draw on its surplus, dividends will be passed and so on; it also means no work for the labouring men and no wages with which to pay the bills of their families.

I was surprised to learn the facts connected with another manufacturing concern in Sherbrooke. It went out of business two weeks ago, loaded all its machinery on freight cars and shipped it back to the United States. Formerly this concern employed 40 hands, but it will do no more business in Canada. Last year our Sherbrooke street railway suspended operations. I am not trying to find fault with my own town, but I do wish to place before this government the gravity of the situation, and to appeal to them again to tell us what they are going to do to settle the unemployment problem, what they intend to do for industry, and what they are going to do for our trade, because if we have no trade we will have no labour and no industries in this country.

I should like to give just one more outstanding example of what this grasshopper tariff legislation can do for a country. In the budget presented last year by the right hon. Prime Minister a one per cent excise tax was imposed on all imports, including lumber. It must be remembered that a very small quantity of lumber comes into Canada in comparison with the enormous quantity of lumber we export to the United States, but the one per cent excise tax was applied, and what happened? In the United States tariff law there is a provision, which I will not read, that if Canada, for instance, applies a duty against United States lumber, that country will apply a duty of $1 per thousand feet against lumber entering the United States from Canada. That stopped shipments of Canadian lumber to the United States. It did not take long to get some action; delegations stormed Ottawa, and the then Minister of Finance saw that a serious mistake had been made. By order in council, again, he amended the tariff and took off the one per cent excise tax on lumber. The Prime Minister was trying to blast his way into the markets of the world; this was one of his experiments. Uncle Sam was not satisfied with that action, however; he said, "That is a very good order in council, but I am sorry we will still have to apply the duty of $1 against Canadian lumber." Then what happened? This government had to pass another order in council making that regulation retroactive, so that it was as though the one per cent tax had never applied to lumber, and they had to refund all the money collected up to that time. That demonstrates the extraordinary habit of this government of changing duties, applying taxes and granting exemptions without due consideration.

Before I leave the question of industry there is another point with which I should like to deal. At page 54 of Hansard the Prime Minister is reported as having said:

> Incidentally to the discharge of these obligations we have improved employment in Canada.

I am not going to answer that statement, but I cannot understand how it could have been made. The Prime Minister then said:

There are a hundred more industries in this country than there were when the present government came into power.

The hon. member for South Waterloo (Mr. Edwards) said there were 157 new industries, and yesterday the hon. member for Dufferin-Simcoe (Mr. Rowe) said there were 142 What are the facts?

Mr. HACKETT: They are increasing every day.

Mr. HOWARD: The Prime Minister knows, and the hon. member for Stanstead (Mr. Hackett) knows, that before making a statement of that kind consideration should be given the number of factories which have closed their doors. As a matter of fact, during the period in which one hundred new industries came to Canada, 464 industries closed their doors.

Now I wish to touch on agriculture. This question does not affect the county of Sherbrooke so greatly, but it will have to be dealt with by my hon. friend from Compton (Mr. Gobeil), my hon. friend from Stanstead (Mr. Hackett), my hon. friend from Brome-Missisquoi (Mr. Pickel) and my hon. friend from Shefford (Mr. Tétreault) when the time comes. I would like to have time to compare some of the ministers of agriculture of the past with the present minister, but I never deal with personalities. I will only say that the Minister of Agriculture (Mr. Weir) from his place in this house called an hon. member on this side a back bencher. I want to say to the minister that the only difference between himself and a back bencher is that a back bencher is a future cabinet minister who has not lost touch with the common people.

This week, coming through the city of Montreal, I learned to my surprise that the new price for milk, which will be announced on April 15, will be $1.35 per hundred pounds delivered in Montreal. If you take off 35 cents a hundred for express it means that $1 per hundred will be paid for milk delivered in Montreal. I do not want to criticize those engaged in the milk business in that city; I know something about that business, but they will sell it at $4 per hundred. If this government were alive to the situation surely they could at least reduce the price of milk to the consumer or, better still, increase the price to the farmer, and God knows he needs it.

In going over the estimates this year and noticing the way they have been curtailed I marvelled that the ministers of the crown, knowing the condition of agriculture, should have consented to the reduction of the agricultural estimates by some $3,000,000. I do not criticize the idea of lessening our expenditures, but if there is one place where under present conditions this government has no right to curtail expenditures it is in connection with the agriculture of Canada. I would ask the members from the eastern townships what they are going to do with regard to the Sherbrooke exhibition, which up to this year has been granted $5,000 yearly by the Dominion government. That money does not go into the treasury of the Sherbrooke fair; it represents one-third of the amount paid directly to the farmers in that part of the country. Now this government have cut off that grant; in other words they have refused to pay one-third of the prize money given the farmers of the eastern townships. What did the Quebec government do? They are just as hard up as this government is and their situation is just as bad. But the Quebec government are paying two-thirds, or $10,000, to the Sherbrooke fair. Although this government has gone back on agriculture in the eastern townships, the Quebec government are paying their $10,000 just the same, and they have also given $2,500 to apply on the deficit of last year.

May I, Mr. Speaker, place upon Hansard certain comparative figures with regard to prices of farm products. Each year I have watched this situation, and I have before me the prices for February 15, 1930, February 15, 1931, and yesterday's prices. These are taken from the Montreal Gazette. In 1930 eggs sold at 50 cents a dozen. That is what the farmers in the eastern townships were getting when the Mackenzie King government was in power. In 1931 eggs sold at 30 cents a dozen. Yesterday the price of eggs was 22 cents, in fact, some extras were sold at 19 cents. In 1930 butter fat sold at 42 cents a pound; in 1931 at 33 cents a pound; and yesterday at 21 cents. Fluid milk brought 7 cents a quart in 1930, 5 cents in 1931, and 4 cents yesterday. Butter was selling at 37 cents a pound in 1930, and the farmers were fooled and voted against the King administration because the price dropped 5 cents a pound at that time, but last year the price receded to 30 cents a pound, and yesterday it was only 17 cents a pound. This week farmers' butter was selling at 10 cents a pound in Lennoxville. Live stock prices have dropped in the same proportion.

Does the Minister of Finance realize the situation in which our eastern township farmers find themselves to-day? Any farmer who has

no mortgage interest to meet and food in his cellar can at least get three meals a day, but the farmer whose land is encumbered cannot meet even his interest payments. Within the last two months two farmers who had put all their money into their farms and were financially embarrassed saw their property sold over their heads to speculators, and those speculators have since come to this government to ask assistance under the farm loan credit legislation.

A few minutes ago the hon. member for Labelle (Mr. Bourassa) said the Prime Minister is supposed to be an expert in finance. If I had time I should like to talk about the financing that has been done by this government during the past two years. Take the conversion loan. It is true our people came across with their money. But, as member for the county of Sherbrooke, I feel a terrible responsibility, because men of that county came to me and said, "We are invited to convert our victory bonds. Do you think, Mr. Howard, we should do so?" I am proud of the answer I gave them, but, Mr. Speaker, I am sorry for the results. But, the results would have been different if we had not had a change of government. I told those men, "If the government want you to convert your bonds I think you should do so." They converted their bonds. What happened? Insiders of this government did not convert their bonds; the people of Sherbrooke and the eastern townships did. To-day their bonds are selling at 92, and the bonds that those insiders did not convert are selling at 104. When I look around and see the lack of confidence, the financial hysteria that has overcome this country, I am appalled. I stand here as a business man, and if I could do anything to inspire confidence in our people I would do so. I think we have the best banking system in the world, but the banks of Canada and this government are one, they are working together. Surely they could work together in such a way as to show better results.

The ACTING SPEAKER (Mr. MacNicol): The hon. gentleman has spoken forty minutes.

Mr. J. S. WOODSWORTH (Winnipeg North Centre): Mr. Speaker, I must congratulate the Minister of Finance (Mr. Rhodes) on the clarity and comprehensiveness of his statement. He began with a review of the events which have so profoundly influenced international finance and reacted on our own stiuation. In that review he asserted:

> The world is close knit to-day in matters of trade and finance as never before in history . . . and we cannot expect normal or prosperous conditions apart from the general world trend.

[Mr. Howard.]

I agree heartily with this statement, and, so far as I can recall, it is the best we have had on our international relationships. But I could have wished that the Minister of Finance had gone a little bit further and offered some definite course of action which would have helped to promote some sort of international solution. The budget does not indicate any international cooperation whatever. Let me give one or two illustrations as to how this lack may affect us. Out in the west all our agricultural arrangements are built up on the principle of a large export crop. Within the last few years the export markets have been very largely closed. So far as I can see the situation, there is no future for western agriculture unless the markets in Europe, or possibly in the orient, are open, and yet there is no indication whatever that the government is taking any steps through which we might hope for an opening-up of markets for western wheat.

Moreover, the tariff arrangements, in the last few months have been such as to make more difficult the selling of our goods abroad. Doctor Marvin, an economist of the Royal bank, in a recent address before the Canadian club of Toronto, as reported in the Financial Times of February 26, said:

> Tariff barriers have hindered the free interchange of goods, and the recent increases in tariffs are more than likely to delay recovery.

I presume Doctor Marvin was speaking of world tariffs, but what is true of tariffs in Europe is equally true of tariffs on this continent. There is no indication that our own government is giving any lead in the direction of lowering those tariffs and thus making possible a greater measure of international cooperation.

I was very glad to hear the Minister of Trade and Commerce (Mr. Stevens) deal with the question of finance. Up to a very short time ago we in this corner had very little support when we mentioned matters of finance. I am hoping that before very long the minister will get a little further than to think that if we have bimetalism we shall have solved our problems. He did, however, advance some very sound propositions. In this connection I would quote a further extract from Doctor Marvin's address:

> The price level depends upon the ratio of credit and production. When credit expands excessively prices rise, and when credit is unduly contracted prices fall . . . volume of credit has fallen faster than volume of production . . . it is this relationship which has produced falling prices. . . . There cannot be a return to the price level of 1926-28 unless credit

expansion is more rapid than increase in production, and a return to that price level is essential if the world's load of indebtedness is to be tolerable.

I am not very much concerned in keeping the world's indebtedness as it is, but I would point out that unless it is made tolerable, the present system is in danger of eminent collapse. Although the government presumably is in favour of maintaining the present system, it is taking no steps to ensure that it will extend even for a comparatively limited period.

Let us consider our rigid adherence to gold as the basis of currency and credit. In his very admirable review the Minister of Finance (Mr. Rhodes) said that gold was ceasing to be a medium of exchange and was becoming instead a commodity to be jealously guarded. If that is true, I cannot for the life of me understand why the Minister of Finance should not take steps to get away from the gold standard. If gold is ceasing to perform its primary function, that is, to permit the exchange of goods, why should we continue to use it as the basis of our medium of exchange? Why not select some other medium which would enable us to perform the task of effecting exchange? However, if the minister is determined to cling to the gold standard, then I have a suggestion to make. Why not expropriate the gold mines of this country and enlist an army of unemployed to work those mines to the very limit? If gold is to be the basis of our credit system and if the recovery of prosperity of this country is to depend upon the increase in gold, then let us work our gold mines and get things started. Instead of doing that, we are passing over to private individuals whatever profits may be made out of gold. Apparently we cannot produce sufficient gold to form a basis upon which our credit can be extended and prosperity brought back.

Mr. McMILLAN (Huron): If the hon. member had money at his command, would he invest it in a gold mine and employ unemployed to work it?

Mr. WOODSWORTH: I am not talking about private investments; I am saying that if gold is necessary as a basis the government should expropriate the gold mines and produce enough to form a basis for the additional credit which is declared to be necessary. As I said a moment ago, as far as I am concerned I do not believe in retaining the gold standard. I do not believe gold is necessary as a medium of exchange. In western Canada, we have an abundance of agricultural products, in eastern Canada we have agricultural machinery and textiles and I cannot see why these two sets of commodities cannot be exchanged directly or that some simple medium for their exchange cannot be invented. Under present conditions we have to send people into the mines of northern Ontario to blast out the rock, to crush the rock to powder and extract the gold in order that we may affect an exchange of the wheat of the west for the textiles and machinery of the east. It seems to me to be an absurd arrangement.

Mr. COOTE: And then they cannot seem to arrange it.

Mr. WOODSWORTH: And it cannot be arranged even then.

There is an incidental matter to which I shall refer for a moment. The revenue from public services is given as $54,000,000, the greater part being from the post office, which shows an increase of $1,500,000. Since this is true, I suggest that in these times of depression we attempt to give public ownership a chance and extend public service into other fields. The government is expected to carry on non-profit bearing enterprises and leave the profit-bearing to private individuals. Coming down on the train I was talking to a gentleman about the output of the briquetting plant near Estevan. I understand that this is a fairly remunerative proposition, it being now in the hands of an American company. Hon. members who have been in the house for some years will remember that large sums of money were paid out for experimental work in the development of that briquetting plant. I do not see why, when we develop an enterprise of this kind, we cannot hold on to it and make it produce revenue for the country and give service to the people rather than turn it over to a private concern.

The Minister of Finance was able to report that he had balanced the budget so far as current services were concerned, but I ask: What has been the cost to the country as a whole for this balancing of the budget? I venture to say that the minister's method of balancing has made it more difficult for the majority of the people to balance their own private budgets. There has been a lessening of income because of increased taxation and an increase in other costs because of customs duties and so on. Although this problem may have been settled from the standpoint of the minister, it means that most of us will have difficulty in balancing our own budgets.

This balancing has been effected in two ways, by a reduction in expenditure, that is, by the cutting down of staffs, salaries and

services, and by increased taxation. I suggest respectfully to the Minister of Finance that there are other ways in which the budget might have been balanced. It might have been balanced by increasing the taxes on great wealth, it might have been balanced by the cutting down of debts, or it might have been balanced by the concurrent application of both methods.

The minister referred to uncontrollable expenditures which include debt charges, pensions, ex-soldier welfare work, provincial subsidies and other writings, aggregating altogether $236,000,000, or 62 per cent of the total debt. I always object to the word "uncontrollable," I do not like to think that bondholders are in a class by themselves and that we cannot touch anything which concerns them. Let me point out to the house that the real value of these debts has practically doubled since they were contracted. We heard a great deal this afternoon from the hon. member for South Waterloo (Mr. Edwards) about cloth. Supposing he contracted to deliver one hundred yards of cloth; the yardstick is three feet in length but if in some mysterious way that yardstick was stretched to six feet, I wonder if he would like to have to fulfil his contract and deliver one hundred yards of six feet each. That is precisely what we are asked to do with regard to our debts. There has been a contraction of credit, price levels have fallen and the purchasing power of the dollar to-day is practically twice what it was when these debts were contracted. We are continuing to pay interest on bonds based on their face value, and that seems to me to be absolutely unjustifiable ethically. The hon. member for Labelle (Mr. Bourassa) a few moments ago was speaking of the iniquity of paying dividends on watered stock, but it seems to me to be equally iniquitous to ask this country to pay interest on the the face value of bonds when their real value has doubled since the time they were issued.

An hon. MEMBER: That is unearned increment?

Mr. WOODSWORTH: It is unearned increment with a vengeance. The owners have no right whatever to this increased increment.

The hon. member for Labelle seemed to be afraid of artificially tinkering with price levels. But I would point out that the rise or fall in the price level can be and is definitely brought about by the increase or the contraction of credit or by the increase or decrease in the amount of currency. The price level has been changed; why not change it back? The other day Sir Josiah Stamp, at that luncheon which many members were privileged to attend, said that every change in price level means a change in distribution of wealth. In saying that, he was taking the ground which was taken by Mr. Irving Fisher some years ago, in 1924, I think, when he appeared before the banking and commerce committee of this house:

> Every change in price level means a change in distribution of wealth.

We have been doing that on a wholesale scale; hundreds of millions of dollars have been transferred from one set of pockets into another. That is undoubtedly true; no one can controvert it. That is why I say we ought not to call these "uncontrollable" expenditures, but we ought to deal with that side of our account just as much as we do with the other.

Mr. COOTE: Just as Australia did.

Mr. WOODSWORTH: Yes. A ten per cent cut in the salaries of the civil service has been justified on the ground of lower price levels; it is said that civil service employees will be just as well off at ten per cent less salary as they were a few years ago at the salaries they then received. If there is any justification whatever for cutting down salaries because of the change in the price level, there is the same justification for cutting down the bonds to the point where they represent the purchasing power which they had when the bonds were issued. Even after you have cut the bonds in two, I would suggest that is no reason why bondholders should be exempt from taxation. There may be some difficulty with the foreign investor, but as regards bonds held by the investor in Canada we could easily impose a tax involving a reduction in his interest of, say one or two per cent. This would bring in revenues to a much greater extent than is done by the taxes which are imposed under the budget. There is, of course, a certain consolation which comes to me in viewing the whole situation, namely, that it is only a matter of time until most of these debts will be cancelled in any case. Doctor Marvin, in that speech to which I have previously referred, said:

> Prices must rise—

That means inflation or "anti-deflation" or "reflation" as they call it in the United States.

> Prices must rise or there will be a wholesale cancellation or repudiation of such debts.

He was speaking of international debts, but what is true of international debts is surely equally true of internal debts, and unless our bondholders are a little less greedy than they have been in the past, they may take warning

that it will be only a certain time before they must relinquish the whole instead of a part of what they now claim.

The minister has, as I have said, brought about a balancing in the budget, in part by reduction in expenditures, but while this may help to balance the budget it is having a very serious effect upon the country. The hon. member for Sherbrooke (Mr. Howard), who preceded me, referred to the reductions that had taken place in the services given to agriculture. That may prove to be very serious in western Canada. For example, we are threatened with an outbreak of the grasshopper plague. I am told that although some were killed off last year, the eggs are still there and we are likely to have a plague this year. Nevertheless, large numbers of our entomologists have been laid off. That is very short-sighted economy. When we so much need every agricultural aid, it is absurd to cut down the chances which the farmer may have of making a living or from the standpoint of the mortgage companies, of paying his debts.

I come now to the additional taxation. How is this to be raised? Out of $55,000,000, some $40,000,000 or over two-thirds is to be raised through sales tax, import duties and nuisance taxes. Only a very small proportion is to be raised by direct taxation, a tax on incomes. This is in considerable contrast to the situation in other countries. In Great Britain 60 per cent of the revenue was raised last year through income and estate tax. In the United States, under the latest tax bill, 38 per cent was raised through income and estate tax. In Canada last year only 24 per cent was raised through income tax. I cannot see why we should not extend our income tax to at least the level which exists in the United States. This year, of course, we cannot tell exactly what the income tax will bring in, but the rate is so arranged that the tax will fall more heavily on the moderately well-to-do than on the very wealthy. The increases are as follows:

Taxable income	Percentage increase of tax
$ 4,000	100 per cent
10,000	53 per cent
20,000	40 per cent
50,000	33 per cent
100,000	32 per cent
1,000,000	31 per cent

Surely these figures ought to be reversed. The millionaires have been very gently dealt with by the Minister of Finance. As regards the discrimination against the poor man to which I have referred, might I quote from an advertisement which has appeared in our papers within the last few days. I quote from a three-quarter page advertisement in the Citizen of April 11, sponsored by the Canadian Daily Newspapers Association, as follows:

> The true nature of this unlaboured progress of Canada in motion is revealed in the fact that dividends amounting to $226,351,000 were paid by Canadian corporations in 1931, an increase of $32,500,000 over the average of the six years ending 1930, and $50,000,000 better than any year previous to 1929.

That is, in this time of depression enormous dividends are being paid; a comparatively small number of people are doing very well indeed. In spite of this we find in the speech from the throne, which I looked up after reading this, the following words:

> I sincerely congratulate you on the fortitude and patience with which the people of Canada have borne the hardships of this period of depression and maintained their usual high regard for law and order.

I am not at all sure that fortitude and patience are a virtue under those conditions. I do not know how much longer the people of Canada are going to stand for the building up of still larger fortunes by the rich when the masses are suffering from this terrific taxation and the various hardships which are brought about by the policy under which we are living to-day.

In one portion of the Finance minister's budget statement I find the following:

> In order to protect the credit of Canada as a whole, temporary assistance was given to certain of the provinces in meeting their obligations.

The minister went on to give the loans to the different provinces, as follows: Manitoba, $2,938,918; Saskatchewan, $10,934,341; Alberta, $4,142,000; British Columbia, $4,371,664. My colleague from North Winnipeg (Mr. Heaps) has given full credit to the Finance minister for his attitude in helping out the western provinces, but I would point out that in my opinion the province was given a very small sum, and the Winnipeg Tribune, which is usually a strong supporter of the present government, charges discrimination against Manitoba. In its issue of January 13 last, in an editorial entitled Politics Everywhere I read:

> The Bennett government is taking a quiet hand in the political game. It is refusing measures of financial cooperation to the Bracken government which it would readily and cheerfully afford a provincial government of its own political stripe.

I think that is a very serious charge. I do not know the details—

Mr. STITT (Selkirk): But is it true?

Mr. WOODSWORTH: I say that when a newspaper that is a strong supporter of the

government makes a charge of that kind, we ought to have some statement with regard to the matter. I think we all do know something about a later transaction than that in connection with the provincial savings bank of Manitoba, which was forced to close its doors a few weeks ago. We do know that Mr. Bracken, the premier of the province of Manitoba, appealed to the Prime Minister of Canada for help, and at first it was refused. Later. after some negotiations, the Prime Minister took the matter into his consideration, and finally on February 9 he wired to Premier Bracken:

> You will be advised by code telegram to-morrow the terms on which your proposals will be accepted.

There came no further word from the Prime Minister. The next communication to Mr. Bracken was from the banks, a telegram dated February 11, which reads in part as follows:

> Referring to your previous conversations with bankers and also with the Prime Minister of Canada and the Prime Minister's message to you last night, banks represented in Winnipeg are willing to assume deposit liabilities if you address a communication in the following terms to them.

Here is a message from the private banks to a provincial government saying that "if you address a communication in the following terms to them," then there followed a number of definite conditions, among which I find the following:

> The government of the province of Manitoba will within a period not exceeding fourteen days from the date hereof convene the legislature and repeal said chapter 174 and amendments thereto.

That is I believe the statute providing for the establishment of a provincial savings bank in Manitoba. Premier Bracken protested against some of the conditions dictated to him by the banks. Negotiations went on for a little time and the banks finally consented to his plea that the legislation should not be repealed, but Premier Bracken agreed that the government would not again go into savings bank business. Finally we have this from the banks:

> Referring your message of Saturday, have consulted banks, who are agreeable to waiving the repeal feature provided legislature is convened within two weeks from to-morrow.

There you have private banks indicating how this country is to be governed.

Mr. HEAPS: Where was the lieutenant-governor that time?

Mr. STITT (Selkirk): They asked the private banks to take over the liabilities.

[Mr. Woodsworth.]

Mr. WOODSWORTH: That may be, but I do not want to discuss that as I have only a few moments left. We finally have Premier Bracken undergoing the humiliation of having to reply:

> Wire received. Legislature called twenty-ninth. Writing officially to-morrow.

And Premier Bracken writes in the terms dictated to him by the banks. In my experience I have never known anything that quite so clearly illustrates the stranglehold which the banks have on the government of this country.

Miss MACPHAIL: They are the government.

Mr. WOODSWORTH: I do not know anything that quite so clearly demonstrates that the banks, in the last analysis, as my hon. friend from Southeast Grey (Miss Macphail) suggests, are the government of this country. It is an astonishing state of affairs, and I am surprised that Conservative members will even attempt to justify that kind of thing. What I should like to ask is this, and possibly the Finance minister can tell us: Did the government of this country give guarantees to the banks. I am informed that the government gave to the banks guarantees similar in terms to those which they refused to the province of Manitoba. That is something which I think we are entitled to know in this house. In the meantime we have this governmental institution, the savings bank of the province of Manitoba, forced to go out of business. Further the federal government apparently, so far as anything to the contrary has yet been revealed, refused to give the assistance which might have saved the provincial savings bank.

Further than that, let me say that the banks are going outside of their own realm to such an extent that only the other day I had this resolution sent to me from the city clerk of the city of Winnipeg. I am not blaming the government for this situation, but I think it is well that the government and the country should know how far the banks are going and what resentment they are arousing even in official quarters in my part of Canada. This letter from the city clerk of the city of Winnipeg, dated March 30, 1932, reads as follows:

> I beg to append a copy of resolution passed by the council of the city of Winnipeg this morning, namely:—
>
> Whereas there appears to be a growing tendency for certain banks to engage in the purchase and sale of municipal securities;
>
> And whereas owing to the relationship between municipalities and their bankers this

is an undesirable and dangerous development which tends to place too much control in the hands of the banks, undermine their prestige and work to the disadvantage of the people as a whole;

Now therefore be it resolved that this council does protest against the present practice whereby certain banks purchase and sell municipal securities, even the securities of their own clients.

And it is further resolved that this council is of the opinion, and recommends, that this whole question be thoroughly investigated by the Dominion government before the time when amendments to the Bank Act are up for consideration in 1933; and further recommends that a thorough inquiry be made by parliament into all the circumstances relating to the connection of certain banks with the municipal and provincial bond and debenture issues which have been offered to the public in recent months.

I pass that on from the city council of Winnipeg to the Minister of Finance urging that he make the investigation requested.

My colleague spoke with regard to the question of unemployment. I have not very much to add to what he said, but I would point this out, that we have no indication that the government is taking any steps adequate to meet the needs of the situation.

Might I offer a suggestion which was given to me and which I think has some merit, and that is with regard to single men, of whom we have so many in the west, men recruited very largely to do harvesting and construction work which was necessary in the earlier days. It is suggested that as an emergency measure—it is no permanent solution whatever, but it would be greatly preferable to the soup kitchen idea—that there be recruited a peace army; that every unemployed man be given a chance to earn $1.10 a day, with everything found, and that this peace army go into the north country to clear brush, to make highways and to beautify our parks and other areas, thus creating assets which would be of permanent value to us, especially so in view of the tourist business which has developed in Canada. More than anything else such an arrangement might help to save the morale of these men who are being degraded by hand-outs of food, and provision of very wretched shelter. I cannot see how any men with spirit in them can very long tolerate the kind of treatment single men are now receiving.

Further than that, I think of the families and their sufferings. In the outskirts of Winnipeg, forming part of my own constituency, is the little village of Brooklands. Recently a survey was made in that village, and out of 600 families it was found that heads of 180 families were out of work. That situation is fairly typical of a very considerable portion of my constituency. When I was home at Easter I visited some of the homes in that section, and I should like to tell about one of them. In that home I found a man, a skilled mechanic, who has not had work for months. At the present time he is ill. His wife, a woman of rather exceptional ability, came from the old land, and has had good cultural opportunities. There are seven children. The city is supporting that family entirely, giving them groceries, milk, bread, fuel, light and water. Further than that, it is making a small grant to the mortgage company, because in part the home is owned by the family, and in order that the mortgage should not be foreclosed and the people forced out on the street certain payments are being made to the mortgage company. Clothing has to be obtained in indirect ways. The worst feature however is this: In that home there were four big boys, out of school, sitting hour after hour, day after day, week after week, and month after month with absolutely nothing to do. Two of the older boys, since they were thirteen or fourteen years of age had helped on western farms, getting out as best they could and finding jobs. A few years ago that was possible, but to-day no such work is available. One of those boys told me he had been working in this haphazard way since he was thirteen years of age, and he was coming to realize that unless he soon learned a trade he could not make a success of life.

Thousands of boys are in precisely the same condition. I wish I could tell hon. members of this house about an exhibition I attended at Easter time showing work done by a group of unemployed boys. The finances of the department in charge however are at an end, and those boys are now on the street again with nothing to do. It seems to me a heavy responsibility rests upon some public body. As we say in our amendment, as this parliament is the body with the widest legislative power, it seems it is the responsibility of parliament definitely to lay plans to meet a need of this character. While I do not think the constructive suggestion we make in our amendment goes very far, it does seem to me it would cut down the debts, stabilize the dollar and help stimulate industrial activity that would tide us over for the time being. I urge upon hon. members that they must recognize the fact that we are in no temporary depression; we are facing the break-up of the system. That break-up may not come for a period of a few months or

years or it may come quickly. We are not justified however in neglecting to face the seriousness of the situation.

On motion of Mr. Dickie the debate was adjourned.

ADJOURNMENT—BUSINESS OF THE HOUSE

Mr. MACKENZIE KING: I suppose this debate will continue to-morrow?

Mr. RHODES: Yes.

At six o'clock the house adjourned without question put, pursuant to standing order.

Thursday, April 14, 1932

The house met at three o'clock.

ROYAL ASSENT

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

Ottawa, April 14, 1932.

Sir,—I have the honour to inform you that Right Hon. F. A. Anglin, as deputy of His Excellency the Governor General, will proceed to the Senate chamber to-day at 4 p.m., for the purpose of giving the royal assent to certain bills.

James F. Crowdy,
Assistant Secretary.

VACANCY—ROYAL

Mr. SPEAKER: I have the honour to inform the house that in compliance with section 6 of the House of Commons Act I have issued my warrant to the chief electoral officer to make out a new writ of election for the constituency of Royal, in the province of New Brunswick, for the election of a new member in place of Hon. George Burpee Jones, who has resigned.

PETITION

Hon. PETER HEENAN (Kenora-Rainy River) moved:

That the petition of Arthur Cyril Boyce and others of Ottawa, Ontario, praying to be incorporated under the name of Lake of the Woods International Bridge Company, which was presented to the house on the 13th instant, together with the report of the clerk of petitions thereon, be referred to the select standing committee on standing orders for the purpose of considering the suspension of standing order 92 in relation thereto.

Motion agreed to.

[Mr. Woodsworth.]

INDUSTRIAL PROPERTY

BILL RESPECTING UNFAIR COMPETITION IN TRADE AND COMMERCE

Hon. C. H. CAHAN (Secretary of State): I beg to submit the first and final report of the special committee appointed to consider Bill No. 5, respecting Unfair Competition in Trade and Commerce. I may add that the report is unanimous.

RAILWAY COMMITTEE

Mr. J. H. HARRIS (Toronto-Scarborough) presented the second report of the select standing committee on railways, canals and telegraph lines, as follows:

The select standing committee on railways, canals and telegraph lines have the honour to submit the following as their second report:

Your committee have had under consideration Bill No. 29, an act to amend the Railway Act, and having heard representations from the railway employees concerned, from the counsel of the railways, and the views of counsel representing the Board of Railway Commissioners, your committee are of the opinion that it is not in the best interests of the country, particularly at this period in the railway situation, to pass the proposed legislation. Your committee therefore, on division, have agreed to report that the preamble of Bill No. 29 has not been proven to the satisfaction of your committee and that said bill should not be passed.

All of which is respectfully submitted.

J. H. Harris,
Chairman.

BUSINESS OF THE HOUSE

SUSPENSION OF STANDING ORDER 28

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I observe from the proceedings that last evening, by common consent, we were to proceed to-day with the debate now before the house rather than avail ourselves of the provisions of standing order 28. In accordance with that arrangement I therefore move:

That the provisions of standing order 28 be suspended this day.

In other words the Speaker will not leave the chair unless a vote is taken which is not probable.

Motion agreed to.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

BEAUHARNOIS POWER PROJECT—ORDERS IN COUNCIL PASSED AND ADVANCES MADE

Mr. MACKENZIE (Vancouver):

1. Have any orders in council been passed by the federal government with respect to the Beauharnois power project since August 3, 1931?

2. If so, what are the dates and numbers of such orders in council?
3. Have any moneys been advanced to the Beauharnois Power Corporation or associate company by the federal government since August, 1930?
4. Have any advances made by any chartered bank of Canada to such corporation been guaranteed by the federal government, since August 7, 1930?
5. If so, by which banks were such amounts advanced, and what were the amounts?
6. What was the nature of the guarantee given?
7. What was the authority for such guarantee?

Mr. MACKENZIE (Vancouver): May I respectfully direct the attention of the Prime Minister to this question, which has been on the order paper for several weeks. It does not in any way request a declaration of government policy in regard to the future; it only asks for some information as to the guarantees given the Beauharnois corporation in the past. I respectfully submit that this question should be answered before the budget debate terminates.

Mr. BENNETT: It is the intention of the government to devote its entire attention to this matter on Saturday. It has been impossible, in the time at our disposal, to gather together what information we have for the purpose of making a proper statement to this house with respect to the whole matter since the default of the power corporation—not the light heat and power corporation—in the payment of interest on its debentures, which were second mortgage securities, which occurred on April 1. If we can complete our labours in this regard on Saturday it is my intention to make a statement to the house on Monday.

Mr. SPEAKER: Stands.

CARLETON POINT, QUE.—LIGHTHOUSE KEEPER

Mr. MARCIL:

1. Has the Civil Service Commission recommended an appointment for the position of lighthouse keeper at Carleton Point, Quebec?
2. If so, who was recommended?
3. What is delaying the acceptance of this recommendation by the marine department?

Mr. DURANLEAU:

1. Yes.
2. Leo Labrecque.
3. The recommendation of the Civil Service Commission was rejected under section 24 of the Civil Service Act.

JOLIETTE, QUE.—POSTMASTER DISMISSAL

Mr. FERLAND:

Was Mr. Jules Breton dismissed as postmaster without any inquiry being held?

Mr. DURANLEAU (for Mr. Sauvé):

Mr. Jules Breton, Postmaster at Joliette, P.Q,. was dismissed for incompetency and mismanagement following an investigation.

MORSE, SASK.—MAIL CONTRACT

Mr. BOTHWELL:

1. Has the contract been let for the carrying of mail between Morse, Saskatchewan, and Log Valley, Saskatchewan, via Glen Kerr post office?
2. If so, who was the successful tenderer and at what figure was the contract let?
3. How many tendered for the contract, what are their names and addresses and what were the amounts of their respective tenders?

Mr. DURANLEAU (for Mr. Sauvé):

1. Yes.
2. John K. Robson, at $230 per annum.
3. Thirteen tenders were reecived as follows: John K. Robson, Glen Kerr, $230 per annum; John T. Glover, Glen Kerr, $240 per annum; C. C. Rayner, Glen Kerr, $275 per annum; Thos. C. Kerr, Glen Kerr, $275 per annum; John H. Hamm, Morse, $285 per annum; W. K. Rooker, Leg Valley, $300 per annum; Benhard J. Penner, Morse, $25 per month or $300 per annum; Arthur Bourne, Log Valley, $340 per annum; Hector McLean, Morse, $343.20 per annum; Isaac H. Wiens, Box 156, Morse, $350 per annum; Charles E. Potts, Log Valley, $360 per annum; Otis Rayner, Log Valley, $7 per trip or $364 per annum; Ernest Toews, Morse, $600 per annum.

ST. PACOME, QUE.—POSTMASTER DISMISSAL

Mr. LAFLECHE:

1. Was Mr. Alfred Michaud, postmaster of St. Pacome, county of Kamouraska, dismissed in 1924?
2. If so, why was he dismissed?
3. Was an inquiry held?

Mr. DURANLEAU (for Mr. Sauvé):

1 and 2. François Michaud was postmaster but a change was effected when the post office was moved to a more central site.
3. Yes.

EASTERN BANK OF CANADA

BANK CIRCULATION REDEMPTION FUND—PAYMENT TO ESTATE OF THE LATE ANGUS MCLEAN

Hon. E. N. RHODES (Minister of Finance) moved that the house go into committee at the next sitting to consider the following proposed resolution:

Resolved, that the Minister of Finance be authorized to pay to the executors of the estate of the late Angus McLean, of Bathurst, New Brunswick, the sum of $5,000, being the amount of the bank circulation redemption fund at the

credit of the Eastern Bank of Canada, which was incorporated by chapter 28 of the statutes of 1928, but did not commence business.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the favourable consideration of the house.

Motion agreed to.

NATURAL RESOURCES

REFUND OF MONEY RECEIVED PRIOR TO TRANSFER TO WESTERN PROVINCES

Hon. T. G. MURPHY (Minister of the Interior) moved that the house go into committee at the next sitting, to consider the following proposed resolution:

Resolved, that it is expedient to provide that the governor in council, upon the recommendation of the Minister of the Interior may authorize the payment out of the consolidated revenue fund of any sums of money received in connection with the administration of the natural resources prior to the transfer thereof to the western provinces, which His Majesty is under any legal or equitable obligation to refund, and that an annual statement be laid before parliament of all moneys refunded hereunder.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the favourable consideration of the house.

Motion agreed to.

WINNIPEG POSTAL STAFF

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): The Postmaster General (Mr. Sauvé) is not in his place, but perhaps the question I am about to ask might be directed to his attention so that he could reply to-morrow. I have received the following communication from Winnipeg:

Mass meeting of Winnipeg postal group, Amalgamated Civil Servants of Canada, strongly protest circular P.S.B. 196, which proposes increased hours of labour, reduction of staff, elimination of all overtime pay, especially statutory holidays, extension of hours worked at night and Sundays, all owing to drastic cuts made in post office estimates. This circular is direct violation of past agreements made between department and staff side representations, and will undoubtedly aggravate unemployment. Passed unanimously.

That is signed by the secretary of the local council of the Amalgamated Civil Servants of Canada. I should like to ask whether the Postmaster General will not reconsider this whole matter, as it seems to me an extension of the hours of labour would be a direct violation of the agreements which have been outstanding for some time between the members of the postal service and the department.

Right Hon. R. B. BENNETT (Prime Minister): The matter to which the hon. gentleman has referred will be drawn to the attention of the Postmaster General, who to-day is absent from the house on account of illness. I received a telegram in similar terms, and I have asked for a report on the matter. I assure the hon. gentleman that the Postmaster General will deal with the question when he is in his place.

THE PUBLIC SERVICE

TEN PER CENT DEDUCTION IN INDEMNITIES AND SALARIES

On the orders of the day:

Mr. F. G. SANDERSON (South Perth): I desire to direct a question to the right hon. Prime Minister based upon a news item appearing in this morning's Citizen. I will not read the whole article but will direct the attention of the Prime Minister to the last paragraph:

The deduction bill has not been finally passed by the house because Premier Bennett is getting information from exempted classes, judges, R.C.M.P. staff, military and air force men, etc., to see if they are prepared to volunteer to take the same cut.

I should like to ask the Prime Minister if this statement is founded on fact.

Right Hon. R. B. BENNETT (Prime Minister): I cannot think it was ever intended that a newspaper report such as this should become the basis of any declaration of government policy with respect to any matter. I think the hon. gentleman must be fully aware of that fact.

APPLICATION OF REDUCTION TO POSTMASTERS PAID BY COMMISSION

On the orders of the day:

Mr. A. M. CARMICHAEL (Kindersley): The day before yesterday I asked a question which had reference to the Post Office Department, and the Minister of Finance said he would give an answer yesterday. I fail to see the answer in Hansard.

Hon. E. N. RHODES (Minister of Finance): I was prepared to answer the question yesterday, but did not do so because the hon. gentleman was not in the house. If my hon. friend will look at section 2, subsection (a) of the bill now before the house, he will observe that the postmaster in question comes within the provisions of that bill.

CONVERSION LOAN

REFERENCE TO STATEMENT BY HON. MEMBER FOR SHERBROOKE

On the orders of the day:

Hon. E. N. RHODES (Minister of Finance): I regret that the hon. member for Sherbrooke (Mr. Howard) is not in his seat, but I believe this matter to be of such importance that I should refer to it at the first opportunity, so I would ask the hon. member for Quebec East (Mr. Lapointe), who is leading the opposition at the moment, to be good enough to direct what I have to say to the attention of the hon. member.

It has been brought to my notice, sir, that during the course of his remarks in the budget debate the hon. member for Sherbrooke referred to the conversion loan, and stated that he had advised the people of his district to convert their bonds. Then, at page 1994 of Hansard, he went on to say:

> I told these men, "If the government want you to convert your bonds I think you should do so." They converted their bonds. What happened? Insiders of this government did not convert their bonds; the people of Sherbrooke and the eastern townships did.

With respect to that statement I have to observe that the hon. member said either too much or too little, and I must ask him either to withdraw his remarks or to substantiate the facts.

SURVEY OF NATIONAL PORTS

REPORT OF SIR ALEXANDER GIBB—INQUIRY AS TO PRINTING

On the orders of the day:

Mr. A. E. MUNN (Vancouver North): I should like to direct a question to the Minister of Marine in connection with the Gibb report. Would it not be possible to have that report printed? I have had several applications for copies and I understand other members also have. I am sure all hon. members would be glad if printed copies were made available.

Hon. ALFRED DURANLEAU (Minister of Marine): As I informed the house the other day, the question of printing that report is at the present time under consideration by the standing committee on printing. As a matter of fact, requests for copies of the printed report have been pouring into my department and I hope the committee will come to the conclusion that the report is to be printed.

TARIFF BOARD

On the orders of the day:

Hon. ERNEST LAPOINTE (Quebec East): In view of the impending Imperial economic conference I would ask the Minister of Finance whether it is the intention of the government to appoint a tariff board for the creation of which legislation was passed last year, or whether the government has changed its mind as to the usefulness of that body.

Hon. E. N. RHODES (Minister of Finance): The hon. member for Quebec East is too old a parliamentarian to ask a question of that character because he knows full well the government has always taken the position its intention would be made manifest only in the usual form and at the proper time.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Wednesday, April 13, consideration of the motion of Hon. E. N. Rhodes (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Ralston, and the proposed amendment to the amendment of Mr. Gardiner.

Mr. C. H. DICKIE (Nanaimo): Mr. Speaker, at the outset may I associate myself with previous speakers in congratulating the Minister of Finance (Mr. Rhodes) on his admirable presentation of one of the best budgets to which I have been privileged to listen in the House of Commons. It was comprehensive and so lucid that the man on the street could understand it. Anyone reading or hearing it would realize that drastic remedies were necessary were Canada to meet her obligations and to hold her present high position among the nations of the earth, and he suggested the necessary remedies.

Before proceeding further with the budget debate I wish, without too great a trespass on the patience of the house, to take up a matter with relation to British Columbia. As is known, strong comments were made with respect to the provincial government regarding the disbursement of unemployment relief funds in that province. Before I came to the defence of my friends "of many days and in many ways," I waited the findings of a commission that was sitting in British Columbia. Doctor Tolmie, as hon. members know, is premier of that province. We thrust him into

that position against his wishes. The electorate there were sick and tired to death of Liberal rule and we cast around to find some man popular enough to unite our two factions. Doctor Tolmie, because of his splendid personality and reputation we knew could do the trick, we gave him the third degree and absolutely forced him to accept the premiership of British Columbia. This he did, and he has been doing his best ever since. In his position, as premier, he has a great deal to do with unemployment matters. The minister in charge of unemployment relief funds in British Columbia is the Hon. Ralf Bruhn, a man who has played hard games with the forests of that province, a practical man. No one has ever done anything to impeach his honesty, and only honourable motives have been attributed to him. Mistakes were made, as would doubtless be the case in enterprises of this kind; it was a rush order; but I could point out mistakes that have been made by private and public companies in that province that would dwarf into insignificance the mistakes made by the provincial government. A parliamentary commission was appointed to inquire into the accusations made against the local government. This commission was composed of a number of Liberals as well as Conservatives, the latter of course, being in the majority. It has concluded its investigation and I am going to ask the house kindly to bear with me while I read its findings, as follows:

Charges of extravagance and irregularities preferred by members of the House of Commons and others were also investigated. The following are typical examples:

(a) "That camps were equipped with radios." Your committee finds that no radios were purchased or rented. A carload of camp food and supplies, packed by the shipper in cases once used for radios, probably led to this belief.

(b) "That camps were also equipped with pianos." Your committee finds that none were purchased or rented.

(c) "That edge-grained fir floor lumber, at a cost of $74 per thousand, was used in making tables for camps." Your committee finds that the total expended on edge-grained fir floor lumber was $2.24.

(d) "That a Vancouver firm quoted the purchasing agent a price on 10,000 blankets and that these blankets were later purchased through someone else for the government at a figure considerably in advance of that sum." Your committee finds that a total of 7,700 pair of blankets was purchased from the West Coast Woollen Mills, Limited, Vancouver, and an emergency purchase of 450 pair of blankets was made from Turner-Beaton, Victoria. All of those blankets were seven-pound blankets, purchased for the sum of 66 cents per pound. This figure was considerably less than that quoted for blankets similar in quality, by the Vancouver firm in question.

[Mr. Dickie.]

It is worthy of note that the West Coast Woollen Mills, Limited, is a concern financed by the provincial Department of Industries and that the purchase of these blankets meant not only assistance to an undertaking in which the province was financially interested but meant also that these blankets were made entirely of B.C. wool and by B.C. workmen.

The suggestion made by Mr. Thos. Reid, member of the House of Commons for New Westminster (at page 1180 of Hansard, 1932), that one manufacturer had "sold 50,000 blankets and it took him out of the red," is without any foundation in fact.

(e) The Dominion representative in his evidence stated: "That 104 carpenters were on the pay-rolls for the camp at Deroche on October 16 or 17, 1931, and four only working as such."

The original time-books and pay-rolls for the months of September and October were produced to your committee, and on the dates in question 47 and 37 carpenters respectively were shown in the time-books and carried on the pay-rolls, for a total of seven camps. The maximum number shown for any single day in the month of October was 79. The evidence further indicated that all worked as carpenters throughout their period of employment as such.

(f) Mr. A. W. Neill, member of the House of Commons for Alberni, on February the 10th, 1932 (on page 90 of Hansard, 1932), made the following statement referring to camps:—

"One might say they were equipped almost luxuriously with hot and cold water shower baths, electric lighting plants, and I am informed even radios have been provided in some cases. The tools were furnished on a scale never known before in connection with road work. Every man had enough tools to suffice for ten; every man had a wheelbarrow; every man had a ten-foot saw, which was entirely unnecessary, and everything was done on a lavish scale. The material, Mr. Speaker, was all bought at the right place, you may depend. We have instances of blankets being bought at gift stores. I take it, sir, that you know what a gift store is, but if by chance you do not know may I explain it is a place where the word gift is terminated with an "e," and where one may buy trinkets for bridge parties, and things of that nature. Blankets were bought at such places for road camps." Your committee finds that the camps were built and equipped in accordance with the regulations of the Health Act of British Columbia, and regulations for the sanitary control of lumber, mining and other camps, sawmills and other industries, and were similar, both as to cost and equipment, to camps used by contractors and lumber men for similar numbers, purposes and periods. The showers referred to are required by the regulations aforesaid and were installed at the rate of one to 20 or 25 men, at a cost of $7 per shower; the construction consisted of tar-papered partitions with slats on the floor and wooden drains. Twenty-three "Delco" lighting plants were installed; a number of these were purchased second-hand and have a high salvage value. The cost of lighting by electric light was carefully estimated and it was found that, in large permanent camps, electric light was the most economical of all available systems and also greatly reduced the fire hazard.

The charges regarding radios and blankets have already been dealt with.

The evidence indicated that there was a wheelbarrow for every tenth man and a crosscut saw for every seventeenth man.

Your committee finds that the purchase of tools was on a reasonable basis and sufficient only for the number which the province reasonably expected to employ under the unemployment relief program.

Your committee finds that materials of all classes were bought from citizens of this province without regard to political leanings; instances were brought before the committee of large purchases from prominent Liberals in this province.

It should be noted that there were individual camps which contained large quantities of supplies; these were, however, used as depots, and tools were distributed therefrom as and when required by other camps in the particular neighbourhood.

(g) Mr. Thomas Reid (at page 1283 of Hansard 1932), stated:

"I counted in one camp 450 steel wheelbarrows. They had so many that a man was to be appointed to regulate their use." The evidence before your committee indicated that there might be 450 steel wheelbarrows in one camp but it would be in the nature of a depot or warehouse camp for a group of camps, and that the man referred to would be for the purpose of distributing wheelbarrows and other tools and supplies among the various camps requiring them.

Mr. Reid further stated: "I have no comment to make regarding the construction camps except to criticize the loose way in which they were run." The evidence before your committee indicated that the camps were conducted in an efficient and economical manner.

That is all I have to say on that matter, Mr. Speaker, I wished to put this on Hansard for the instruction of those people who listened to charges against the British Columbia government in the debate now long passed.

With respect to the budget speech, it was an admirable presentation. For three weeks we had been listening to another very tiring eruption of words, and we listened in vain for some suggestion that would assist the government in the very difficult task with which it is now faced in the matter of unemployment, but no sound suggestion was made. The suggestion was made by the Minister of Labour in the late government, the hon. member for Kenora-Rainy River (Mr. Heenan) that a fund of $90,000,000 be created for unemployment insurance, the federal government contributing $30,000,000, the employers $30,000,000, and the balance of $30,000,000 being contributed by the working men of this country. I would ask any manufacturer, any man who is engaged in the lumber business, for instance, I would ask the two good, practical men I know on the other side of the house, the hon. member for Vancouver North (Mr. Munn) and the hon. member for Skeena (Mr. Hanson), what they would think of the manufacturers and industrialists of this country being asked at the present time to raise $30,000,000 for that purpose. We all realize the hardships that exist with respect to unemployment, and there may come a time, when this government gets the ship back on an even keel, when we may be able to do something along that line, or at all events do something more for labour than we are doing at the present time, but just now it is absolutely silly to talk of creating a fund of $90,000,000 to guarantee wages to men who are unemployed. The unemployment question is undoubtedly a very serious one, and a little later, if I have time, I shall deal with it more fully.

We also had that old man of the sea, free trade, again thrust upon us during the three weeks' debate to which I have referred. It is needless to spend any time combating free trade arguments for practically every nation in the world has gone off the free trade list. Even Great Britain has abandoned free trade. What would Canada do, with a population of ten million people, living alongside a highly protected nation of one hundred and twenty million people if we did not have a protectionist policy? We would go down and out. Had we not raised our tariff barriers during the severe times of the past year and a half, our country would have been flooded with manufactured articles from the United States and we would have had more idle working men in this country than we have at the present time. By raising our tariffs we are now buying something like one hundred million dollars' worth less of goods from the United States. That means that that one hundred million dollars is kept in this country for the benefit of Canadian working men. We hope that the government will continue to act along the same lines and protect this country. Whether theoretically protection is right or not, protection is necessary in the present state of affairs throughout the world.

Then a back-to-the-land movement was suggested. It has been advocated that owing to the tremendous number of unemployed people we have in this country we should institute a policy of getting them back on the land. We have tried that policy in a small way in British Columbia. We have been trying to do our utmost for the benefit of those men who had gone overseas and done so much for us, but this back-to-the-land movement I regret to say has not been a success in British Columbia. The back-to-the-land movement may later on prove to be a success throughout Canada if people become more inclined to go back to the simple life, but at the present time we could not place a sufficient number of men back on the land to

relieve the unemployment problem throughout Canada to any great extent. But we want them back there. They are better there than they would be thronging the cities, and the time may come when we can induce more of them to go back to the land. It would be a wonderful thing if we could get them out of the cities into the God-given air of the country, where their lungs would have a chance to expand and they would have different ideals than they have in the city. We have become unmoralized, if I may use the word, Mr. Speaker, by salacious literature and by rotten Hollywood films. Our people have been demoralized by bright lights and rubber tires, and the sooner we can get them away out of the cities into the pure atmosphere of the country the better. It is a big problem and I hope that we shall be able to succeed in solving it. It is a long, far cry, but the gap must be bridged between lipsticks and lips kissed with the morning dew. Get them out into the country, into the pure air and doubtless our race will be benefited thereby. In the present age we require some Virgil to teach the dignity of life in the country, someone to teach our people to get out in the God-given air, among good, pure surroundings. Nothing in this world will do as much for our population as the simple country life. We have all read of the expression of little Pippa "God's in his heaven and all's well with the world" when for the first time she went out into the country.

Mr. Speaker, I am becoming somewhat confused and I am afraid I shall have to branch off on another argument.

Mr. McINTOSH: Do not be alarmed; that is often the case.

Mr. MALCOLM: Not many will admit it.

Mr. DICKIE: We have very grave problems with respect to unemployment. Due to the advance of science there are many thousands of men without work. In the great nation to the south of us I understand there are 8,000,000 workless people; I do not know how they are going to be employed. There was a time when the markets of the world were open to that great country; they went full speed ahead; tremendous industrial enterprises were undertaken. At the present time each nation is protecting itself against the inroads of manufactured articles from the United States. In that country there are, as I have said, from 6,000,000 to 8,000,000 people which constitutes a grave problem. We in Canada, I am told, have about 500,000 unemployed. Although our country has a smaller population than has the United States we have greater undeveloped resources. The time will come no doubt when all our men will be given work. At the present time it is very difficult to see how such a condition may be brought about. I do not know, however, how the United States will ever find employment for their idle population. There may come a time when the arguments advanced by the hon. member for North Winnipeg (Mr. Heaps) may have to be adopted throughout the American continent and the world. Due to the advent of labour saving machinery, the use of steam, and the use of engines capable of drawing as many cars as, in the early days, three locomotives would have drawn, one man does the work of ten. It is unfortunate that the man getting along in years should be penalized through the use of labour saving machinery. The fact is, however, that there are too many labourers in the world at the present time. What must be done to remedy the situation is a matter agitating the minds of some of our greatest thinkers. I believe the day will come when two shifts of working men will do what one shift is doing to-day. I do not see any other way of putting our unemployed to work.

It is pitiful to read of the distress prevalent throughout the various cities in the United States and Canada. We are doing our best for them; measures are being enacted to give temporary relief. We want, however, to give relief which will enable them to look forward to the proper rearing of their families; we want to make those people good citizens. The leader of our party, and doubtless that of the party opposite, are agitated, trying, striving to reach a solution of our unemployment problem. Those men must have work if we are to prevent mischievous doctrines from permeating their minds. None of us would like to see in operation the doctrine proclaimed by the hon. member for Winnipeg North Centre (Mr. Woodsworth). We want Canada to be a country where a man may prosper according to his integrity and ability. We do not want to place people in one class as is done in Russia to-day, to do away with initiative, and to do away with all that builds good citizenship. If mankind is to improve it must have some object for which to strive.

I can remember a time when the Indians in British Columbia were almost a truly socialistic people. I remember one Indian who for some unforeseen reason, or by some piece of luck, had accumulated a little more than his fellows. As a result he gave what was known as a potlatch, and gave away everything he had. He reduced his means to a point as low or lower than those

of the rest of the band. He was called a chief, or something of that nature, and was well pleased at the return given him for his sacrifice. After he had given away his means he wrapped his blanket around him, sat in the sunshine beside his rancherie, to wait for the next run of dog salmon so that he might get enough to eat. There are some very beautiful ideals connected with socialism. We cannot however do away with initiative, or we will go down, down the line until we finally reach the primordial ooze from which we came in the first instance. We must progress, and must have some reward in view. We do not necessarily need to attack the principles of our fellow man, but must do something for our country and ourselves, if we are to survive. We want no fallacious argument of socialism to permeate this good land of ours. Ideal as a socialistic condition may seem, it does away with initiative. In Russia to-day there are millions who have nothing to look forward to. There are men without smiles going about their business, half clad and half fed. True, some few have gained notoriety as there would be if we in this country adopted a similar system. Thank God however for good Anglo Saxon common sense which permeates the minds of our people.

As hon. members are aware, an economic conference is to be held in Ottawa in July of this year. We know not what the outcome may be, but we do know that earnest men are coming from all parts of the empire to confer and reason one with the other as to what can best be done for the country and the empire as a whole.

It is too early to predict what may happen, but we know they are meeting here with the very best of intentions. There will have to be a little give and take on the part of all the various units of the British Empire, but doubtless good will result, and if we achieve one-half of what we expect we shall do away with the unemployment problem in the empire. Let us deal within the British Empire as much as possible; let us buy goods from our sister dominions and sell to them what we can manufacture to better advantage than they, and we shall soon do away with unemployment. If not, we must adopt some other measures. I know of no other government in the world that is giving more attention to this problem than the present government. The government are looking for suggestions from the other side rather than destructive criticism, they are striving to do something for the workingmen of this country. I think the most piteous feature of unemployment is the man, hollow-eyed, looking for work and unable to get it. We do not want the minds of our people permeated with the mischievous doctrines advanced by the member for Winnipeg North Centre; we want them to be upstanding citizens, not relying on the efforts of others, but climbing up unaided to improve their position and at the same time improve this great country.

Under the wise guidance of our leader, I feel sure that he and his colleagues will solve our major problems. We stand solidly behind him, and we hope he may be spared to put Canada back in that condition of prosperity which we have every reason to expect because of the wonderful potentialities of our great natural resources. We are going to make of Canada a country worth while to live in, and I am confident we shall emerge from the present depression perhaps quicker than any other country under the sun, due to the virility of our people and our great natural endowments. Then let us be careful not to drift under the influence of the indulgent gales so far from the shores of economic sanity as we did during the past, let us conserve our resources, let us go a little slower, and we shall make this one of the greatest countries in the world.

I think no other statesman of to-day has the adaptability and the qualifications so necessary for extricating Canada from the economic morass in which it is now engulfed as has our admirable leader, that right hon. gentleman:

> Whose slow, wise smile,
> Half within and half without
> Seems filled with knowledge of the world.

He will bring us out of the impasse, and under his wise guidance we shall emerge from this depression quicker than any other country in the world. I think the economic conference next July will have an important bearing on the future of this country. If our right hon. leader extricates Canada from the tremendous burden under which we are struggling, I might say in the words of Horace, he will have:

> —builded a monument
> Stronger than brass and of vast extent,
> Higher than Egypt's chief pyramid,
> That monument to kingly pride;
> Whose top as heaven is high,
> At base as earth is wide.

THE ROYAL ASSENT

A message was delivered by Major A. R. Thompson, Gentleman Usher of the Black Rod, as follows:

> Mr. Speaker, His Honour, the deputy of His Excellency the Governor General, desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, the house went up to the Senate,

And having returned,

Mr. SPEAKER informed the house that the deputy of His Excellency the Governor General had been pleased to give in His Majesty's name the royal assent to the following bills:

An Act to amend the Boards of Trade Act.
An Act to amend the Juvenile Delinquents Act.
An Act to amend the Judges Act.
An Act respecting the Canadian National Railways and to authorize the guarantee by His Majesty of securities to be issued under the Canadian National Railways Financing Act, 1931, No. 2.
An Act for granting to His Majesty certain sums of money for the public service of the financial year ending the 31st March, 1933.

Mr. MARTIAL RHEAUME (St. Johns-Iberville) (Translation): Mr. Speaker, I am glad of this opportunity offered to me, of expressing my views on the budget brought down by the hon. Minister of Finance (Mr. Rhodes). First, I wish to congratulate him on his appointment to this high office. I further desire to congratulate the hon. member for St. Anne's (Mr. Sullivan) on his maiden speech in this house.

He highly praises this budget, and adds that all the prominent financiers of this country have approved of it and stated that it was a genuine budget. I do not share the views of the hon. member for St. Anne's. He represents a constituency comprising in the major part workmen earning small wages; were he to call from door to door so as to ascertain the opinion of his electors on the budget, I think his views would soon change.

I wish, incidentally, to point out the figures quoted a few days ago by the hon. Minister of Labour (Mr. Gordon). He stated that the government had made an outlay of $40,000,000 to relieve unemployment and had undertaken to make a further outlay of $16,000,000 this year. I am amazed that they are disbursing such large amounts for unemployment relief; not that I am opposed to this expenditure—on the contrary, I approve of it—because I contend that the government do not practise what they advocate. The appropriations for the Department of Public Works amounted to $20,480,550, in 1931-32, and they have been cut to $13,187,000 for 1932-33, which means a reduction of more than $7,000,000. If the government were in earnest they would increase the appropriation for public works. It would be an excellent way to alleviate unemployment. After requesting the municipalities to do their utmost in helping the unemployed, I think the government is showing a poor example in cutting down by $7,000,000 the estimates of the Public Works department.

The other day while glancing over a pamphlet distributed by the Minister of Labour, I discovered that in the county of Chambly-Verchères—which is adjacent to my own and for the most part a farming county—there was expended to relieve unemployment an amount of $129,172; however, the total expenditure for the province of Quebec only amounted to $415,606. I therefore state that Chambly-Verchères was more favoured than the other counties of Quebec. I do not know if it is because the constituency is represented by the Minister of Marine, who must have a great deal of influence with his colleagues, however, that county received more than 30 per cent of the amount allotted to Quebec.

The county of St. John's-Iberville, which I have the honour of representing in the House, received slightly more than $16,000. An amount of $1,210 was granted to the town of Iberville, and only $282.70 were expended, to date, for a population of more than 3,000. An expenditure of $16,195 was made in the city of St. John's which comprises more than 12,000 people and has over 900 unemployed. I contend, sir, that there has been undoubted evidence of favouritism in connection with the distribution of the unemployment funds. When I note that in the county of Chambly-Verchères, in villages comprising between 150 and 200 people, over $6,000 were expended; in Chambly more than $19,000; in Longueuil the population of which is much less than St. John's, almost $20,000 were expended and at St. Lambert more than $69,000, I must protest on behalf of St. John's-Iberville, and state that my county like many others in Quebec, has not been given an amount of relief proportionate to the county of Chambly-Vercherès.

I am pleased, sir, to see the hon. Minister of National Defence (Mr. Sutherland) in his seat; as I am aware that he understands the beautiful French language, I wish to point out to him that in the budget of his department, this year, there is an appropriation of $10,973,548, that is, more than $8,500,000 is set apart exclusively for military purposes and almost $2,500,000 for the navy.

In a country like Canada where the national debt increases by hundreds of millions of dollars, I contend that it is more than time to cut out military expenditure. The budget of that department is equivalent to one dollar per capita of the population. More than $260,000 are expended on the League of Nations so as to foster disarmament, while, on the other

hand, millions of dollars are expended for military purposes. The administration of this department alone amounts to $320,000, the cadet service $100,000, contingencies $35,000, engineering service $327,500, general stores $663,500, non-permanent active militia $1,837,400—namely $168,600 less than last year.

I am, sir, fairly well informed on this non-permanent active militia. In the appropriation pertaining to this matter are included the following items, service, maintenance, pay and allowances with reference to the administration, the training of the militia in camps, staffs, in schools of instruction, target practice, grants to associations, etc. I state that there is no greater waste of money in this country than that which is expended on military training camps. I know of what I am talking about as we have almost every year such camps in the town of St. John's and this has been so for a great number of years past. The town is invaded by regiments of 600, 700, 800 men more or less, who have no knowledge whatsoever of military training, they cannot handle a rifle or understand a word of English. They are fitted up indifferently and come over to this training camp for two weeks, at the country's expense. Millions of dollars are wasted in giving officers the opportunity of taking holidays, at the state's expense. In a poor country like ours, during a crisis, when people are starving, I state that these millions of dollars should be applied to help the unemployed and the needy.

In the item of $4,844,000 appropriated to permanent troops, there is a decrease of $206,000. I have already expressed my views as regards military schools and permanent troops. There exists such a military school in the town of St. John's. I do not wish to express an opinion whether it is better or worse than the others. I am certain that the officers and men of this school follow the same regulations as others established in this country. A few hours per day are devoted to training so as to raise an appetite, and all this at the government's expense. The country meanwhile is millions of dollars in debt. I contend that it is more than time to forego such waste of money. I note that the Royal Military College will cost this year $360,500, namely, a decrease of $25,500. If I be not mistaken, in order to enter this college, one must be well off. If the government wished to put into practice what they advocate, they should first replace these military colleges by agricultural schools.

The government has asked this house for a blank signature so as to dispose of unlimited amounts for unemployment and farm relief. Let them do away with military schools and replace them by agricultural schools and thus make of our sons good farmers and citizens.

The hon. member for Dufferin-Simcoe (Mr. Rowe) stated this week that the future of Canada depended on farming. I have in hand the budget of agriculture for 1932-33. As I stated just now the population of Canada reaches 10,000,000 and the expenditure per capita for farming is sixty cents, while it amounts to more than one dollar for the militia. In 1931-1932, the estimates of agriculture amounted to $9,929,000; this year they are only $6,671,000, a decrease of $3,258,000. I wonder why our friends opposite, who represent rural counties, and especially those from the west who represent essentially farming constituencies, tolerate a cut of $3,000,000 in the agricultural estimates, while only a cut of $1,302,000 for the National Defence and $1,606,000 for the naval service, is made. I state, sir, that it has no sense. My views are that the militia budget should be cut by 75 per cent and that of Agriculture increased proportionately.

The experimental farms' appropriations are decreased this year by $833,000, while those of the Royal Military College at Kingston are only reduced $25,500, a difference of $808,000. And the government is bold enough to state that it is to relieve the farmers that a blank signature is requested! I trust that the people of this country will open their eyes and see which of the two parties is the champion of the farmers. I note that the grants for agricultural exhibitions are cut down $300,000, that for dairy industry $63,700, for the health of cattle and inspection of meat $896,000, almost a million. What care are they taking of the health of the citizens of this country?

Some hon. MEMBERS (Translation): Hear, hear.

Mr. RHEAUME (Translation): After slaughtering cattle infected with tuberculosis, the amount appropriated for that purpose is reduced by $896,000, while the estimates affected to the non-permanent troops is only cut down $168,600. One must keep within reasonable limits. It is quite proper to support a political party, however one must preserve some common sense. One must not forget that members represent the electorate of their constituency. I spy the hon. member for Berthier (Mr. Barrette), the hon. member for Richmond-Wolfe (Mr. Laflèche) who represent two beautiful farming counties as fine as mine—

Mr. BARRETTE (Translation): Finer.

Mr. RHEAUME (Translation): Perhaps so. When we are aware of decreases such, for instance as that of $376,700 in the appropriation for the administration of the Destructive Insect and Pest Act, while a cut of only $206,000 is made on the permanent militia, I state that one must keep within reasonable limits—I see that the hon. member for Marquette (Mr. Mullins), is in his seat, he is the champion of live stock. I am aware that he has the rank of a colonel; perhaps, military matters are of a greater concern to him than agriculture or live stock. I wonder what he thinks of the $150,000 cut in the live stock appropriation.

The estimates intended for publications which the government distribute throughout the country to help the farmers—and which deal with the work carried on at the various experimental farms—are reduced by $30,500, while militia contingencies are larger than that amount.

Mr. BARRETTE (Translation): Will the hon. member allow me to put a question?

Mr. RHEAUME (Translation): With pleasure.

Mr. BARRETTE (Translation): What were, in 1930, the amounts voted for Agriculture and National Defence?

Mr. RHEAUME (Translation): My answer to the hon. member is that when the budget of 1930 was brought down, I had not the privilege of representing the county of St. John's-Iberville; I am discussing the present budget. I am not expected to assume the responsibility for the acts of my predecessors, I am simply commenting on the present budget.

Some hon. MEMBERS (Translation): Hear, hear!

Mr. RHEAUME (Translation): I notice in the budget that an expenditure of $20,000,000 was made in the western provinces. In no way do I feel envious, far be it from my thoughts; I am aware that the west is in dire circumstances; we have there compatriots and we must help them out. I regret that the hon. member for Regina (Mr. Turnbull) is not in his seat, because I should have given him a message for the Prime Minister of his province. I shall ask his good Conservative friends who represent farming constituencies to endeavour to obtain a two cents per pound bonus on butter.

Mr. LAFLECHE (Translation): That was Mr. Houde's policy which you cried down in the last Quebec provincial election.

[Mr. Barrette.]

Mr. RHEAUME (Translation): All are aware that the price of butter has come down to 18 cents per pound within the last few days, to-morrow it may perhaps reach 16 cents.

Mr. BARRETTE (Translation): Is that your wish?

Mr. RHEAUME (Translation): No, sir, we want the government to give a bonus on butter just as they did on western wheat.

Mr. BARRETTE (Translation): There will be one.

Mr. CASGRAIN (Translation): The hon. Postmaster General promised one at the last provincial election.

Mr. BARRETTE (Translation): We shall see that he keeps his pledge!

Mr. RHEAUME (Translation): I want to give you some idea of the prices of farm products. If I request a rebate, a direct aid for the eastern provinces, it is because of their precarious financial situation. Many of them have failed within the last few months and if business does not improve within the next six months, I think that there will be thousands of farmers who will fail in the eastern provinces. Wholesale butter, last week, sold at 18 cents; eggs retailed at 18 cents a dozen; potatoes 40 cents per bag; pork $6.50 per cwt., beef 5 cents per pound, veal 4 cents per pound; cow hides, 2, 3 and 4 cents, calf hides, 4 and 5 cents, country hides, 35 cents a piece.

I listened to our friends opposite state that from 1921 to 1930, we had had a bad régime which had ruined the country. I would ask them to compare the prices of to-day with those of 1921 to 1930.

Mr. BARRETTE (Translation): What do you designate country hides?

Mr. RHEAUME (Translation): Country hides, sir, are the hides of calves which the farmers slaughter themselves and sell in the village or to a leather dealer; it is what we call "a farmer's hide" and is not supposed to be worth as much as a hide which comes from the Montreal slaughter-houses or city butchers.

Now, sir, I wish to make a few comments on the luxury tax. I regret that the hon. Minister of Finance (Mr. Rhodes) is not in his seat, however, I trust that his good friend, the hon. Minister of National Defence (Mr. Sutherland), will draw his attention to my remarks or that he will read them in Hansard. This luxury tax was discontinued, I do not know by whom, however, if an error was

committed, it is when this luxury tax was abolished, and this to the detriment of the people. The following are a few comparisons: a golf suit costs $25; this is about the same price as a workman's Sunday suit, and the tax is the same in both instances; dress suits and tuxedos, etc., are taxed the same amount as for an ordinary man's winter coat. As for ladies' evening dresses, well, I have a wife and daughters, so I know what they cost. I am not opposed to wealth, on the contrary; however, one must draw a line between necessities and luxury. One purchases an evening dress for $40, $50, $60 and $75 and yet you pay the same tax as when you purchase a decent or comfortable coat for your wife. If a man has the means to purchase an evening dress for $60 or $75, so that his wife may attend a ball or an evening party, this gentleman can certainly afford to pay 10 per cent of a luxury tax and hand over $6 or $7 to the state which certainly needs the revenue.

I shall now, sir, draw your attention to a few articles pertaining to sport, not that I disapprove of sports. Perhaps one will say that I am not a golf player, it is true; however, I am a member of a golf club and of many other clubs, and I like sports. Even this morning, I noticed in a store window on Rideau street, golf shoes selling at $2.50, $4, $5, $6 and even $9. When a person can purchase a pair of shoes for $2.50 and he prefers to purchase a pair for $9, surely there must be an average price that might serve as a basis. A person who can afford $5, $6 or $7 more for a pair of shoes, can certainly pay a luxury tax of 50 or 60 cents. I saw some quite nice golf stick bags for $3.50; there were others for $12.50; these articles sold at five different prices. An average price could be fixed. One who purchases a $12.50 article for a golf stick bag when he can purchase one for $3.50, should pay a luxury tax on the difference. I also noticed that golf sticks were on sale at prices ranging from $2.50 to $6. The sales tax on a golf stick is the same as on a pick or shovel. Tennis rackets were marked $2, $4, $6, $8, $10, up to $18. I am in favour of encouraging sports, however, I contend that when a person can purchase a tennis racket for $2, $4, $5 or $6, and that person pays $18, he can afford paying 10 per cent more to help his country.

Mr. BARRETTE (Translation): You will not be looked upon as a sport.

Mr. RHEAUME (Translation): The same tax is levied on automobiles "de luxe" as that which is paid by a poor person who purchases a motor truck to earn a livelihood or a salesman who needs a car to earn his living.

There is an article of first necessity which has somewhat drawn my attention, namely matches. They are sold three boxes for 25 cents. There is a sales tax of ½ a cent and an excise tax of 3 cents per box. If you purchase twelve boxes worth $1, you pay 6 cents according to the new sales tax and 36 cents of excise tax, which means 52 cents tax on $1. Now if you purchase a box of chocolates of $1, there is no apparent tax. Would it not be fairer to levy this luxury or excise tax on the box of chocolates than on an article of first necessity as are matches? When you pay $1 for a box of chocolates, so as to satisfy your greediness, I state that this is a luxury. I wonder, sir, if the famous budget so much praised yesterday really meets with the approval of the people?

Mr. CASGRAIN (Translation): Hear, hear!

Mr. BARRETTE (Translation): Hear, hear!

Mr. RHEAUME (Translation): I shall now refer to what is known as a grandfather's clock. I had the occasion, together with a group of friends, of purchasing one so as to make a present. The prices ranged from $150 to $600.

Mr. BARRETTE (Translation): That was a "de luxe" present!

Mr. RHEAUME (Translation): I state that a person who purchases a grandfather's clock for $600 when one can be purchased for $150 or $200, can afford paying a luxury tax of 10 per cent.

I now come to dining-room sets. Last week, I saw in a large Montreal store a dining-room set priced at $1,200.

Mr. BARRETTE (Translation): Hear, hear!

Mr. RHEAUME (Translation): I understand that quite a heavy duty is levied on furniture. A nice dining-room set can be purchased, to-day, for $200 or $300, however if a person pays $1,200, to satisfy a whim or to boast of the finest dining-room set in the town or village, that person can certainly afford to contribute something to the exchequer.

I further wish to refer to articles considered a luxury such as diamonds, rings, etc. I am not opposed to jewels. Whether a person buys, in Montreal, Ottawa or anywhere, jewels to please some lady, no objection can be

taken. Last week, I saw at Birks, in Montreal, a diamond worth $2,500. I contend that if a person can afford purchasing a diamond ring, either for himself or as a gift to his wife or his girl. . .

Mr. BARRETTE (Translation): She must be very pretty!

Mr. RHEAUME (Translation): It matters little; however; I state that such a person can afford paying a tax on articles considered a luxury especially when a tax of 42 per cent is levied on matches. The hon. Minister of Finance is in his seat. I trust that in his next budget—unless he wishes to amend this one—he will consider levying a tax on luxuries.

I shall not add anything further, as I know that a number of my colleagues wish to take part in this debate. The country made a mistake two years ago, it knows it now, and awaits its opportunity.

The Liberal party brought prosperity to this country from 1896 to 1911. From 1911 to 1914 prosperity left us. I do not think that the Conservative party can blame it on their ill luck, but rather on their bad administration. I inquired from a number of old politicians and none remembered that the Conservative party had ever had a surplus in any year. I shall not refer to the period between 1914 and 1918, it was during the war, neither to the years between 1918 and 1921. The Liberal party assumed power in 1921. During two years it had to put up with deficits, however, after balancing the budget, from 1923 to 1930, there were surpluses every year, the national debt was decreased and the country entered an era of prosperity.

Mr. BARRETTE (Translation): Of bankruptcy.

Mr. RHEAUME (Translation): You are in error.

Mr. CASGRAIN (Translation): You are responsible for this bankruptcy.

Mr. RHEAUME (Translation): From 1923 to 1930, we were blessed with surpluses. Look at the trade we carried on with other countries. I notice the hon. member for Berthier-Maskinongé is all ears, I wish to thank him, I am aware that he is well-read, clear-headed and I hope in days to come, will be appointed to the Senate.

Some hon. MEMBERS (Translation): Hear, hear!

[Mr. Rhéaume.]

Mr. RHEAUME (Translation): Incidentally, I state that if his party appoint him, it will be as a tribute for his services to the party.

Mr. BARRETTE (Translation): Many thanks!

Mr. RHEAUME (Translation): As I mentioned a few moments ago, from 1921 to 1930, Canada was prosperous. We traded with foreign countries. It is by doing a good business that a person amasses wealth; however, from 1930 to this day, we have been losing ground. I realize that the Conservative party will reply: the world is undergoing a crisis. In 1930, we also stated that unemployment in Canada was not due to a poor administration but rather to a world wide crisis. My opponent in the election stated: place the Conservative party in power and we pledge ourselves to bring back prosperity in this country within two months.

Mr. Speaker, I do not wish to add anything further, however, I feel certain that at the next general election, the people will choose the party which has always given protection to the farmer and workmen, because if the people were prosperous and happy, it was certainly under the Liberal régime from 1921 to 1930.

Mr. MICHAEL LUCHKOVICH (Vegreville): Mr. Speaker, I agree with everything the hon. member for Nanaimo (Mr. Dickie) said with regard to the effect on the morale of our people of lipsticks, rubber tires and salacious literature. I am sorry I was unable to follow the remarks of the hon. member who just took his seat, but the French language is very beautiful, and if, when it has been translated, the speech of the hon. gentleman reads as it sounded to me, I am sure it will be very fine indeed. I understand that the Acting Speaker (Mr. Sullivan) himself speaks very beautiful French, and my neighbour intimated to me that the hon. gentleman who has just taken his seat took advantage of the temporary position of the hon. member for St. Ann (Mr. Sullivan) to mention something he said yesterday in a speech which was equally effective. I greatly appreciated the humorous, inoffensive and clever manner in which the Acting Speaker was cornered.

The question has often been asked as to what extent the present crisis is due to the world situation and to what extent it has been caused by the lack of an internal policy. I hope the Minister of Finance will excuse me

if I do not deal specifically with the budget; my purpose to-day is to discuss the problem from a universal and particularly an European standpoint, and I hope at some other opportune time to deal with the internal aspect of this subject.

One of the most profound impressions an observant traveller in Europe must bring back with him is a realization of the interdependence of the nations and the absolute necessity for greater cooperation among all the countries of the world if we are to enjoy some semblance of the prosperity of the past two decades, and in order to obtain this cooperation the obstacles that stand in the way first must be removed.

The world is clamouring for peace, but there is no peace; it wants a return of prosperity, but there is no prosperity, for we cannot attain the latter without a propagation and realization of the former. We cannot eat our cake and at the same time have it. Briefly, it is the old story of the futility of trying to make an omelette without breaking an egg, the folly of attempting to maintain peace without an application of the essential contributory conditions, and the impossibility of a return of prosperity without the cultivation of the necessary peaceful arts and pursuits incidental thereto. At no time has the truth of the situation been brought home with greater force than during the past few years of financial stringency and economic chaos. More and more clearly are people beginning to realize the uniform character of the world and the utter impossibility, in this great age of industrial development, of any country living unto itself. Thus such phrases as "self-contained nation," "splendid isolation," are rapidly becoming obsolete and devoid of meaning, and even the famous admonition of George Washington against any foreign entanglements seems likely to be discarded as an outworn political anachronism; for the United States is just as involved in world affairs as any other nation and her future is just as dependent upon a successful solution of universal economic problems as that of any other country. In other words, she can no longer live apart from the rest of the world and retain her relative position therein, but she must unite with the other nations to restore the proper balance and stability essential to a return to prosperity.

As regards Canada and the United States our troubles can be traced directly back to Europe where present conditions have for the most part originated. It seems strange that the richest country in the world, with all her vaunted wealth and great hoards of gold should, notwithstanding, have one of the largest armies of unemployment in the world. But such being the case, it can be attributed to no other cause than that the economic unity of the universe has in some manner been disturbed. For immediate causes one must refer to the lack of purchasing power on the part of people overseas. If Europe cannot buy, America cannot sell. For many decades the European market has absorbed the surplus products of this continent, such as wheat, meat, cotton, oil and many highly finished manufactures, but of late years the accumulating bankruptcy consequent upon the great war has left Europe so weak and impoverished as to make impossible of maintenance anything like the trade European countries used to call for in pre-war days. Matters have reached such a pass that our neighbour's troubles merge with our own difficulties on this and the other side of the ocean and that ours cannot be solved without a simultaneous solution of theirs.

My travels led me through some of the northern and central parts of the European continent, comprising a long, continuously changing panorama of formerly bustling urban activity, majestic mountain grandeur and exquisite pastoral beauty and simplicity, and during the entire extent of the journey the sun had shone down on all this beautiful scenery in a veritable blaze of glory, creating in one a momentary impression that all was right with the world and that this glorious sunshine and the products drawn by its power out of the rich European soil were ever at the undisturbed disposal of the inhabitants and possessors thereof. It was not until I had spoken to the peoples in the different countries I had visited and had been shown various ruins and wrecks, many evidences of which could be seen all over Europe, that the other side of the picture began to unfold itself. These ruins and the consequent industrial stagnation of the war broke every delusion I had about that continent in spite of its great culture, history, traditions and scenic appeal. I had thought that the devastating character of the last great war would forevermore become an object lesson to the belligerent countries, but their hatred and suspicion of each other have increased rather than decreased since the world war. I believe the fault lies in the system under which Europeans have been brought up rather than in the people themselves who, in my opinion, have become merely the victims of a vicious war

psychology or propaganda. Propaganda may have had a very doubtful value during the throes of war, but in time of peace it is inconceivable how hate, blindness and error are allowed to stifle the natural impulse of man to seek the truth and live in harmony with his fellows.

Before my departure as the Canadian delegate to the Interparliamentary Union at Bucharest, I had entertained a somewhat hazy attitude toward the question of disarmament; but when, during the course of my journey I found out how alike are all the peoples of the world, how similar their cares, joys, longings, lives and ambitions, and when I realized how universal are the decency, honesty and worthiness of the common man, I frankly admit I felt no pangs of conscience in voting against a proposed resolution to set up an armed force for the League of Nations as well as against other motions that I thought might perpetuate the damnable war spirit that had separated Europe into so many factions and that has prevented her from regaining her strength and taking her proper position in the world. I could not help contemplating the part that Canada should and must play in the ever-changing scheme of world affairs, for ever since I was a young man playing baseball on the sand lots of my little coal-mining birthplace with contemporaries of a multitude of racial origin, my mind has been deeply agitated over the great common heritage given to us on this side of the ocean by a Supreme Being to perpetuate the old and yet new doctrine of peace, good-will and the brotherhood of man. Notwithstanding the vicissitudes, exigencies and antipathies resulting from a peculiar psychology of racial warfare, I nevertheless still retain the hope and optimism born of the democracy of youthful experiences, that Canada will some day become, as it were, a beacon light to the rest of the world, torn by bitter strife and racial animosities to show the way to a more complete and mutual understanding amongst the various constituent elements thereof. In order to get a good picture of Europe hon. members should visualize a continent much smaller in size than Canada but with about forty times our population, and composed of some thirty sovereign states, each with its own army, its central government, its frontiers and the usual customs barriers, differing in race and religion, and with all the smouldering feuds and antagonisms of by-gone centuries. This seething, restless conglomeration of races—where did they all originate? Where did they come from; what were their sorrows, their joys and their ambitions? Those were questions, Mr. Speaker, which I put to myself and found exceedingly fascinating. Taking them individually I found some very charming, cultured and progressive individuals, but judging them as nations I had seen and heard only too much of the mutual hatred and distrust which has persisted in Europe so bitterly all down through the ages. When I had finally completed my journey and found myself on board ship again quietly contemplating the whole situation, I could not help but draw a parallel with our own miniature Europe in Canada, and note the difference in attitude on the part of our polyglot and cosmopolitan races which are making their contribution to the building up of this great nation—difference in attitude not only towards each other but also towards the country of their adoption; and I thought, Mr. Speaker, that if something of the tolerance and good will, something of the spirit of friendship and mutual cooperation which characterize our various peoples in this country in meeting their problems could only be infused into their kinsmen on the other side of the Atlantic ocean there would not have been any occasion for the huge burdens of debts and for the nervous piling up of armaments which slowly but surely must bring about the collapse and ruin of every country in Europe.

It is true that we on this side of the ocean have a crisis also, but I think that that is largely due to the breakdown of our foreign markets. Europe has always absorbed our exportable surplus of wheat and other grains, and therefore I think it is the resurrection of that market that will bring about a revival of trade and the return of prosperity in this country. This, of course, does not ignore the existence of our vast internal problems which call for immediate solution, or the necessity of setting our own house in order so that we may adjust ourselves more effectively to world conditions.

In stressing the European situation, Mr. Speaker, I am seeking no alibi for our lack of a policy in this country. My purpose is merely to call attention to the basic unity of the world in which no country can live unto itself, and where each is dependent on the other to the extent of its own deficiencies as well as the others' ability to supply and our own ability to pay. Someone in this country has said that all trade is essentially barter and that commodities can only be paid for in goods. I was very much surprised to learn while over in England that out of the 175 million bushels of wheat which they annually import into that country, 105 million bushels come from foreign sources, while only

70 million bushels come from Canada and Australia. Just how much this disproportion is due to Canada's unwillingness to buy more British goods I am at the moment unable to say, but I feel confident that if our volume of imports from the British Isles was increased it would react most favourably on our export trade in wheat and other food products, for it is hard to understand how Canada and the mother country can trade other than on a reciprocal basis. Only the other day the Right Hon. Mr. Thomas in England made this statement:

> Canada may say, we are interested mainly in wheat, and from the standpoint of Great Britain the most important and indeed the only factor is what they will do in regard to our manufactures.

In plain English that means: If you want us to buy more of your wheat, you must buy more of our manufactures. When Mr. Thomas specifically referred to wheat in regard to Canada's trade with Great Britain he evidently must have been aware of the predominance of wheat as our staple export. Indeed so extensive has our grain trade become that from a country trading originally in only fish, fur and lumber, the sale of our grain in foreign markets has within the past three decades taken precedence over all other products in Canada. In 1932 nearly forty per cent of our total exports, valued at nearly half a billion dollars, was grain products. Indeed, it is through the grain trade that Canada reached the peak of her prosperity, and it is through that trade that she must regain it; for our foreign trade is the lifestream and foundation of our economic structure, and any restriction or curtailment thereof must strike directly and most powerfully upon the primary producers of this country, whose very existence depends upon a profitable sale of their products in markets abroad. Under the circumstances farmers cannot continue indefinitely to sell their products under the cost of production and at the same time maintain a fair and decent standard of living and meet all their various obligations. This condition has its limitations, and unless some methods of enlarging our markets and improving the system of distribution of our products to those markets are evolved, agriculture in the west is likely to sink into hopeless insolvency from which it may never recover, and when a basic industry like farming fails it is bound to affect adversely every other industry in Canada.

I had intended, Mr. Speaker, to say a few words about the tariff, but the tariff as one of the disturbing factors in trade recovery has been so thoroughly discussed that I think it would be superfluous for me to rehash the old stereotyped arguments here this afternoon. It may, however, serve some useful purpose to point out the utter futility of economic tariff warfare not only in solving our internal problems in Canada but also in stabilizing world conditions. Tariff revision is a world problem, and as such must be solved by the world at large. I do not think it can be accomplished by unilateral agreement; it must be accomplished by the mutual consent and cooperation of all the countries simultaneously, to do any real or genuine good.

During my visit to Europe I could not help but feel that the continent was too top heavy to last very long without collapsing, and that only an economic union of all the states thereof could save it from ultimate ruin. An American editor has said:

> The way to understand Europe's economic tangle is to picture Canada as if it were hacked and divided by customs and military barriers, so that goods from Vancouver to Montreal would be inspected and charged duty at every few miles.

Such duplication of governmental, military and administrative machinery would be far more than Canada could bear, and it is certainly a load which Europe cannot carry either at the present or any time in the future. Among other obstacles to a return of world prosperity are disarmament, a settlement of the problems of international indebtedness, and the question of minorities. The Versailles treaty was supposed to set the European house in order, but it seems rather to have left a couple of ghosts which appear at frequent intervals to haunt the makers of the treaty and destroy their peace of mind. Senator Borah, chairman of the United States foreign affairs committee, wants to revise the treaty, and so do many others. He comes out flat-footed on the debt question and asks that war reparations and war debts be cancelled. On top of all this, sir, the minorities in Europe are clamouring in ever-accumulating zeal for autonomous freedom within their own ethnographical boundaries or else complete absorption within their own racial groups. On the other hand, so intent are the newly set up states in Europe in hammering together the various constituent elements thereof into one homogeneous whole, by riding roughshod over their minorities, that little heed is paid to the cry of self-determination or to the minority treaties which have been placed under the guarantee of the League of Nations, and by which most of the post-war countries in Europe are bound.

I never saw so many soldiers in all my life as I did on my trip across the European continent. All along the railway lines one could see numerous sentries on guard. Here and there regiments of new recruits were being drilled, and in the restaurants, theatres and railway trains it seemed as if the well-groomed officers were the only patrons. It was not until one encountered the abject poverty of the cities, towns and rural districts that the sight of these well-fed officers became extremely ominous and significant. Time after time the picture of Canada with her 4,000 miles of unpatrolled boundary line, and her very meagre force of men under arms, came to my mind, and I could not help but feel a little homesick for the country where armaments were almost negligible and where war occupied the smallest place in our thoughts. The horrible vision of beautiful glorious Europe poverty stricken on the one hand and soldier infested on the other will always remain an object lesson to me of the folly of maintaining militarism and at the same time hoping for a return of prosperity. Such a futile hope, Mr. Speaker, can only end in despair; for much as the nations would like to disarm, they dare not because of fear of their neighbours, which has grown, rather than diminished, since the last great war. After thirteen years of peace there are now more men under arms than in 1914. Little wonder, therefore, is it that the nations hover so dangerously on the verge of bankruptcy and complete collapse.

In addition to the costs of armaments Europe is shackled by huge war and other debts. I do not think it worth while to mention the amount of those debts, because hon. members are familiar with the figures. British opinion is in favour of wiping out completely all war debts, and is sincere in its desire for a greater industrial prosperity in Germany. But the revival of a strong, industrially prosperous Germany relieved of crushing war debts will hardly be accepted in a friendly spirit by France, whose whole policy in regard to Germany has been based on overwhelming fear, and the consequent determination to keep this neighbouring country down; but how long Germany can be kept down, or how long the German nation can be suppressed without pulling the rest of Europe down, including France, remains to be seen. So far as I am concerned nations of the world cannot get together too soon to eradicate the evils which brought about and continue to sustain the present depression. I have always been puzzled to know why the minorities question has been so ignored, and yet it is one of the main factors of the present chaos and dissension in Europe. Nations cannot be dismembered without leaving behind a lot of ill feeling and a sense of injustice. From what I saw of the rankling bitterness caused by the revision of the map of Europe I cannot help but feel that a little revision here and there would do much towards restoring a better and more harmonious balance. Love of one's country and one's race is a powerful source of many virtues and acts of heroism when it is based on and controlled by ethical laws. When it degenerates, however, into immoderate nationalism it soon becomes a source of countless acts of injustice and wrong. Look at the situation in Europe to-day. Forty million people have been cut off from their ethnical and racial groups by the Versailles treaty. They are being subjected to unspeakable outrages in the name of chauvinistic nationalism. So intent are these new post-war countries upon obliterating all traces of the diversity of the races within their borders that little attention is paid to the stipulations and provisions by which these countries are bound in respect of the minorities. When one therefore realizes that all these atrocities are committed in spite of the fact that minority rights are guaranteed by the League of Nations, and that most of these minorities live in close contiguity to strong kindred nations, the remark made by a certain writer, that Europe is sitting on a volcano which might at any moment erupt and light a flame throughout the world, is based as much on the minorities question as it is on any other of the problems that are harassing the world to-day.

In regard to the race question in Europe, one must take into account the fact that we are dealing with conditions and not theories, concrete situations and not abstract unrealities; for much as one might wish to warp existent realities to suit preconceived ideas of what should or should not be done, one cannot afford to ignore the human element, the peculiar innate characteristic pride, aspirations and ambitions that so stubbornly persist in all races and make people and conditions just what they are. Nothing keeps extreme nationalism alive like the forcible suppression of nationalism. If hon. members could only visualize the hopeless despair of suppressed desire, the cruel pain of thwarted effort, and the spiritual hell resultant therefrom, it would enable them to realize more clearly not only the tragedy but also the great injustice of the situation. Each race feels it is just as good as the other, and it is extremely galling to their self-respect to live in continual physical and

spiritual subjugation and forced negation of the very qualities which the superpossessed races consider a virtue in themselves but a sin in those who unfortunately find themselves under their domination. But races somehow will not stay down; and as history has given us countless examples of the folly of forcible suppression, nothing less than a grant of autonomy and liberty of cultural development will free Europe from one of its potential menaces to peace and well-being.

The achievement of self-determination may after all be necessary in order to attain fuller growth and a wider conception of responsibilities. Their pride satisfied, the races should thus be unimpeded in their progressive march to a better civilization. At the present time the minorities in Europe are more interested in political than economic liberation; but once the former is attained they ought to be able to devote their undivided attention to the latter problem. In any case civilization is not a standard but a continuous creative process requiring two simultaneous cooperative impulsions,—that which consists of the fulfilment of a common desire and that which comprises a pooling of separate individual contributions. The tendency of races is, primarily, to develop as separate entities, and secondarily, as parts of one cosmos or united universe. Although probably too much emphasis is being laid on the former and too little on the latter, I do not think that there is anything inconsistent in advocating cultural freedom, or even self-determination, of the races and the economic unity of the world at the same time. Such unity is impossible without peace, and peace is hardly likely unless justice is done to the forty million minorities in Europe.

Many centuries ago a great writer said:

In necessariis unitas, in dubiis libertas, in omnibus caritas—essentials unity, in doubtful matters liberty, in all things charity.

Those wise words, Mr. Speaker, may well be applied to the situation in Europe. Economic unity is very essential, and it is a matter on which all the nations of the world should place a great deal of emphasis. I do not think we can have prosperity in Canada unless we have prosperity in Europe. It is true that we have questions on this side of the ocean which call for immediate attention, but nevertheless I believe that unless the situation in Europe is changed it is hardly likely we shall have immediate prosperity in this country.

I hope on another occasion to tell the house about my trip to Bucharest and describe what was done there. I left Canada last September as the Canadian delegate to the interparliamentary union conference in Bucharest from October 1 to October 9, 1931. I was the only delegate from Canada. I was supposed to be accompanied by twenty delegates from Great Britain and other British possessions, but the old country being at that time in the throes of a general election, I found myself not only the sole delegate from Canada, but also the sole representative from the whole British empire.

Mr. F. H. PICKEL (Brome-Missisquoi): I am glad, Mr. Speaker, to have this opportunity of dealing briefly with a subject in which I am much interested. If congratulations from a backbencher are worth anything, I desire to offer mine to the hon. Minister of Finance (Mr. Rhodes) for the clear and businesslike way in which he presented his first budget, the preparation of which involves very careful study and a great amount of work. I think the thanks of the house are due to the hon. minister for a task well done.

I represent a constituency interested in mixed farming, principally dairying, such farming as practically all of the counties in Canada east of the great lakes are interested in. Of course, many of the different counties throughout the three prairie provinces, and especially in British Columbia are also interested in this branch of farming, some to a greater, some to a lesser extent, but I understand that this industry is increasing rapidly in those sections. By nature the west is a grain-growing and grazing country, and as such those engaged in it perform a very important economic function. At the present time the dairy industry is suffering greatly in this country; it is simply drifting. I may say, without attributing the cause to any party or to anyone, that it is simply drifting without any directing policy. To me it seems that we have rather neglected the dairy industry. In 1925, with the introduction of the Australian trade treaty, the industry received its death blow, and it has never recovered. Its recovery will take a long time. People directed their agricultural efforts in other directions, having lost interest in dairying, because there was nothing in it. Right here I want to express concurrence in what the hon. member for Dufferin-Simcoe (Mr. Rowe) advocated the other day—a small bonus on butter and cheese. I believe that at the present time that would stimulate and help an industry that is in dire distress. With regard to the address last night of the hon. member for Sherbrooke (Mr. Howard), we of course do not always see eye to eye, but so far as he voiced dissatisfaction

at the treatment which the milk producers are getting in the city of Montreal, I agree with him. The milk producers in the country are receiving one dollar while the distributor in Montreal is getting three dollars; that does not seem to be right; it should be rectified. I think something should be done about it.

What I want to call to the attention of the house particularly is the committee on agriculture. I have been a member of that committee since 1930 and its time has been spent for the most part discussing wheat. I have on three or four occasions tried to get a word in to talk about butter and eggs or something of that kind, but each time I have been sidetracked entirely and the committee has talked wheat. I have never seen Garnet wheat, but I know that I could step up to a bin and pick out Garnet or Marquis or Reward or any other variety of wheat.

Mr. SANDERSON: Did you not talk a good deal about butter in the election of 1930?

Mr. PICKEL: Yes, and with great results.

Some hon. MEMBERS: Hear, hear.

Mr. McINTOSH: You actually slipped in on it, didn't you?

Mr. PICKEL: I trust that something will be done so that we won't slip out on it.

Mr. STEWART (Edmonton): I am afraid you will.

Mr. PICKEL: I may say that it was not the Canadian article that we slipped in on; it was the New Zealand. Now, I have no quarrel with the west. We all realize that their problems are serious, and anything that can be done to assist the wheat grower of the west should be done; anything that is possible to help them should not be overlooked. At the same time, the dairy farmer, the mixed farmer in the east, should not be overlooked entirely either. This year we have not mentioned butter or eggs or pork in the committe on agriculture. What I should like to see is a divided committee with a dairy section and a wheat section. Then we could do something. I should like to have the committee on agriculture consider some of the problems of the mixed farmer in the east and offer recommendations to the minister and to the house regarding our troubles. But the minute a man mentions the word "agriculture" here, ninety per cent of the members think of wheat and nothing else. This is all well and good in its place, but I do not know why we should talk wheat all the time, to the undoing of the rest of agriculture.

[Mr. Pickel.]

There are several ways in which I think we could help the dairy interests of the country, and I am going to put forward one or two. If we could ever get the ear of the committee on agriculture, I am sure that committee would recommend these things—and it should be by their recommendation that these points should come before the minister and the house. But as we cannot bring it in from that source, I will give it myself. The moment our butter gets on the export basis, it drops in price. Of the total agricultural production of the provinces of Ontario and Quebec in 1930, of approximately $700,000,000, only $82,000,000 for Quebec and $105,500,000 for Ontario, was attributable to the dairy industry. That is a shame. These are two great agricultural provinces, and this is the total—$187,500,000. Of the total production of milk for the whole of Canada in 1930, amounting to $237,037,000, fifty-seven per cent was consumed as fresh milk and twenty-eight and a half per cent was made into butter, 6.7 per cent into cheese, and 7.8 per cent into other dairy products.

This is my point. In cheese we have an article with which we can compete successfully on the English market with the rest of the world. With butter, we cannot. We might as well admit at once that we cannot manufacture butter with Australia and New Zealand; it is out of the question, because they make it for half what it costs us. Why, last year 3,000,000 pounds was brought in over a tariff of five and seven cents. It is absolutely impossible to compete with them in the British market in butter; but with cheese we have and always have had the reputation of manufacturing the best Cheddar cheese in the world. To-day in the English market we can get top prices for our cheese, but while in 1904-05 we sent 200,000,000 pounds of cheese to the English market, last year we sent only 86,000,000 pounds. What is the reason for that great decrease? We should be also raising more bacon for that $250,000,000 English market, where our bacon sells for a good price. My point is that the agricultural committee should recommend to the government the encouragement of farmers in the making of cheese, thus lessening the amount of milk going into the production of butter and relieving the situation in that regard. By following such a policy the manufacture of dairy products would be increased immensely.

This policy would not only help the farmers in the east; it would be of great help also to the western grain growers, who could find a market in Canada for 40,000,000 or 50,000,000 bushels of low grade grain. I believe the

dairy industry in the east would be benefited greatly also if grain could be purchased more cheaply. At the present time a dealer or consumer in the east, buying grain at the distributing points, is charged the all-rail rate from Fort William to the point of distribution, plus the local rate to the consuming point. I have here some figures I would like to put on Hansard just to give an idea of what this amounts to. These rates are as follows:

Various Rates on Wheat in Cents per 100 lbs. Ex Fort William to Points in East

To	Water Rate Ex Ft. Wm. Cargoes to	—	Rail Rate Ex This Port Car Lots	Sum of Rail and Water Wheat Rates	Temporary Lake and Rail Rate Ex Ft. William Car Lots bagged	Ordinary Lake and Rail Rate Ex Ft. William Car Lots bagged	All Rail Ex Ft. Wm. Car Lots Bulk
Orangeville	Port McNicoll	3·60	13	16·60	25	32½	37½
Linwood	Goderich	3·60	10	13·60	25	32½	37½
Guelph	"	3·60	12	15·60	25	32½	37½
St. Marys	"	3·60	10	13·60	25	32½	37½
Chatham	Pt. Colborne	3·65	18	21·65	25	32½	37½
London	"	3·65	13	16·65	25	32½	37½
Hamilton	Toronto	9·17	8	17·17	25	32½	37½
Trenton	"	9·17	13	22·17	25	32½	37½
Lindsay	"	9·17	10	19·17	25	32½	37½
Renfrew	Kingston	9·17	13	22·17	25	32½	37½
Sharbot Lake	"	9·17	8	17·17	25	32½	37½
Smith Falls	Prescott	9·17	8	17·17	25	32½	37½
Kemptville	"	9·17	8	17·17	25	32½	37½
Ottawa	"	9·17	10	19·17	25	32½	37½
Lachute	Montreal	12·87	8	20·87	25	32½	37½
Joliette	"	12·87	8	20·87	30	37½	37½
Maskinongé	"	12·87	10	22·87	30	37½	37½
Three Rivers	"	12·87	12	24·87	30	37½	37½
Farnham	"	12·87	8	20·87	29½	37	42
St. Rosalie	"	12·87	8	20·87	29½	37	42
Cowansville	"	12·87	10	22·87	32½	40	45
Sutton	"	12·87	10	22·87	32½	40	45
Lennoxville	"	12·87	13	25·87	32½	40	45
Valley Jct	Quebec	12·74	8	20·74	37	44½	44½
Lennoxville	"	12·74	15½	28·24	32½	40	45
Mégantic	"	12·74	13	25·74	37	44½	49½
Fredericton	St. John	16·87	13	29·87	43	50½	55½
St. Stephen	"	16·87	15	31·87	43	50½	55½
St. George	"	16·87	10½	27·37	43	50½	55½
Norton	"	16·87	9	25·87	43	50½	55½

This shows too big a spread between the rates that are charged and the rates that should be charged, and I think this should be looked into. If this situation were remedied the eastern farmer would save many dollars; more grain would be used and a bigger market would be developed for western grain

I am sorry more of the grain growers who are on the agriculture committee are not in the house, because I would like to ask them to be a little more lenient and allow the farmers from the east to say a word in that committee once in a while. I do not say this in a disrespectful way at all, but when we get up in the committee and say a word about butter or eggs they take the words right out of our mouths and tell us all about it. I would suggest that the agriculture committee, which to-day consists of 60 members, should be divided into two groups. We should have a dairy section and a grain growing section, and I think in that way we would do better work. A great many valuable suggestions might come to the minister and the government if that were done, but at the present time we have no opportunity to say a word.

Now I should like to say a word or two with regard to the Canadian National Railways, in which we are all very much interested. I suppose, coming from the eastern townships and sitting on this side of the house, I am presuming a great deal in venturing a word or two on this subject, but together with the other members of the house and the people of Canada generally I am deeply interested in this question, and we are all bearing the cost. I do not understand why the people of Canada persist in trying to make themselves believe this is a solvent enterprise. It should go into the hands of a receiver and be disposed of. It is no compliment to the intelligence of the people of this country to try to bolster up that railway; if it were in my power to do so, I think it would be advisable to open up negotiations with a view to disposing of it. The only visible purchaser or receiver that I know of is the Canadian

Pacific Railway Company. I have none of its stock, unfortunately; I hold no brief for that railroad, but as all Canadians are, I am proud, of it. I do not think there is in the world another railroad better equipped or managed than the Canadian Pacific. I mention it because I do not know of any other company or combination of people to whom we could give the national railway. By getting rid of it, we would lessen that deficit of a million and a quarter dollars that every week of our lives we are throwing into the mismanaged Canadian National, and negotiations should at once be opened with somebody for the disposal of it.

Mr. SANDERSON: Why not take the matter up with the Minister of Railways (Mr. Manion)?

Mr. PICKEL: I am taking it up with the house; that includes the Minister of Railways.

Mr. SANDERSON: He is not listening to the hon. member.

Mr. MANION: I heard every word he said.

Mr. PICKEL: Before leaving this subject may I say that I think the Liberal party is derelict in its duty in that it does not erect somewhere around these parliament buildings an imposing monument to the memory of the late Hon. A. G. Blair, late Minister of Railways in the cabinet of the late Sir Wilfrid Laurier. He told that party what it was doing and how it was going to ruin the country, and that is what will happen if we continue in our present course. We have a bankrupt railroad and if we continue we are going to bankrupt the Canadian Pacific and the country.

Mr. McINTOSH: Is it the railroad or the government about which the hon. gentleman is talking?

Mr. PICKEL: Both railroads.

I should like to say a word or two about the imperial conference, although I would not wonder at people looking askance at a backbencher having the temerity to discuss such a subject. I want to mention a few facts in connection with that great conference which is to take place here in July. During the election of 1930 the leader of the opposition (Mr. Mackenzie King) pranced around the country from town to town telling the people that if we did not elect the Liberal party so that he could go to the conference, we were lost; that there was nobody else in sight who could represent Canada at the conference. The elections came on and the Canadian people decided they would not send that right hon. gentleman. Perhaps they made a mistake. During the special session of 1930, while we were passing legislation in regard to the relief of unemployment and making changes in the tariff, the leader of the opposition took every opportunity that presented itself to instruct the present Prime Minister (Mr. Bennett) how to act when he went to the conference, got him all dressed and dolled up, showed him how to pussyfoot in his stockinged feet and told him he would have to approach the throne with courteous conciliation.

The conference took place, and I suppose my hon. friends thought our worthy Prime Minister would go there and act just as the leader of the opposition had told him. I presume the leader of the opposition showed the Prime Minister just how to approach the throne with that courteous conciliation, and just how to pussyfoot, because he himself had always been so successful in his negotiations in the United States. Every time the leader of the opposition carried on negotiations in the United States regarding any sort of matter, immediately he returned to Canada the government of the United States raised the tariff. As I say, the imperial conference took place in London and the Prime Minister attended it, worthily supported by the Minister of Justice (Mr. Guthrie). What did he tell them? He shocked the English people; but it was just what they needed; if the Prime Minister had not gone there, they would be still in the rut they have been in for hundreds of years. Strange to say, they took his advice; but after he returned from that conference it will be remembered that during the session of 1931 we sat here sweltering, melting and dissolving in our seats in July, while members of the opposition were bringing in great tomes, encyclopaedias and dictionaries to define that little word "humbug". How they rolled that round in their mouths! What a juicy morsel it was! They were as pleased as a boy going out to kill skunks, and the result was about the same.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. PICKEL: I have not much more to say, Mr. Speaker. Indeed I have already said more than I intended and have taken up too much of the time of the house, for which I apologize.

Before the house rose for the dinner recess I had just reached the point where the skunk was functioning well. After we had passed

days and weeks discussing that little word "humbug" which was applied to the right hon. the Prime Minister's efforts in England at the imperial conference, things quieted down until the British elections came on. What was the result of those elections? The British people did exactly what the right hon. gentleman had urged them to do, and I consider that that was the greatest political achievement of modern times. I do not think any other statesman in the British Empire, British or colonial, has accomplished so much. The British people went to the polls and voted protection. They had lived under free trade for a century; it was a great reversal of opinion for them to vote protection, but they did so, to my mind, as the express result of the right hon. the Prime Minister's visit to that country, and this session has been conspicuous for the absence of the use of that little word humbug. Once in a while it may slip out unintentionally from some member on the other side of the house, but it has been heard only two or three times this session, and yet Hansard was full of it in the session of 1931.

I should like to express my appreciation of the efforts of the right hon. the Prime Minister of this country. The opposition endeavour to belittle his efforts and to belittle him personally at every opportunity that presents itself. I admit that their criticism does not have much weight, but why they should endeavour to belittle a man of that calibre is more than I can understand. He is devoting his whole life to the good of this country, and he is in earnest about it. He is doing his very best and the people of Canada should be thankful that he is at the head of affairs in this country in these times. It should be every Canadian's prayer that the Prime Minister be spared to lead us out of the morass in which we now find ourselves. From what little political experience I have had, and it has not been much—successful experience, at all events—it seems to me it must be a terrible sacrifice for the Prime Minister to be occupying the position he does. He is pulled first one way and then another. His life must be a continuous tumult, and we should endeavour in every way we can to make his task as light as possible.

In conclusion let me refer for a moment to the dairying industry. I should like a little cooperation from those members of the committee on agriculture who come from the grain growing sections of this country. I have been endeavouring since I came here to do what I could for the dairymen and the mixed farmers, but I must confess that I have not been able to do anything, and if I cannot help them in any way there is no use in my staying here. That is what I am here for, to help the mixed farmers of this country, and if the members of the committee on agriculture who come from the grain growing sections would only cooperate with the dairy section of that committee even to a very small extent we could do wonderful work.

Mr. BROWN: Has the hon. member ever noticed a lack of willingness to cooperate with him with regard to the dairy industry?

Mr. PICKEL: I will answer the hon. gentleman by saying that members from the wheat growing section are too willing to cooperate. If we mention butter they take it right out of our mouths and tell us all about it. If we talk milk, they take it right out of our mouths and tell us all about it, and ninety-five per cent of them use canned milk.

Mr. BROWN: You are dreaming, man.

Mr. PICKEL: That is the condition of affairs, Mr. Speaker. I suggest that this big, unwieldy committee of sixty members be subdivided, and let us have a dairy section, a mixed farming section, and a grain and beef section, if you like. Why, Mr. Speaker, I have talked and heard so much talk about wheat in the last two years that I have stopped using bread. It seems to me that the grain section of that committee should be willing to cooperate courteously with us once in a while for the good of the dairy industry.

Mr. EUSEBE ROBERGE (Mégantic) (Translation): Mr. Speaker, I do not intend to go over the whole ground covered by the speech of the hon. member for Brome-Missisquoi (Mr. Pickel), I approve of the suggestion which he has just made to the house. The committee on agriculture should, next year, be divided into two committees, one could specialize in the dairy industry while the other could look after the products of the farm, as a whole. I think that Quebec as well as the other provinces which have adopted mixed farming, would benefit more by this plan. I cannot approve, however, of his congratulations to the hon. Minister of Finance (Mr. Rhodes) with reference to this year's budget, the latter does not help the small wage earners, farmers or workmen, and still less does it fulfil the pledges made at the last election. In the last electoral campaign the Conservative party made many promises in our rural districts. I shall not refer to them all but I shall mention butter, because it served as their battle horse. On all the hust-

ings throughout Quebec, the Conservative party stated that it was a disgrace to see farmers selling their butter at such low prices as 28 or 30 cents per pound.

They asserted that as soon as they assumed power the price would go up to 40, 50 or 60 cents per pound. Well, what do we witness now that they are at the helm of the affairs of this country? To-day, while walking on Rideau street, I noticed that butter retailed at 20 cents per pound. All farm products are down like butter and the farmers at present, receive about the same prices as previous to 1896, under an old-time Conservative administration of early days.

In my own county, sir, the work in factories has dwindled at least 50 per cent. In my speech on March 22 last, I stated that the number of unemployed was larger than it had ever been in the county of Mégantic, and at that date it had increased 1,200 or 1,400 over what it was on June 30, 1930, in spite of all the pledges made by the right hon. Prime Minister (Mr. Bennett). I also mentioned then that the government had refused to help the workmen of Black Lake by not expending certain sums, because they had been voted under a Liberal régime and obtained through their member. To-day, I shall add and prove to the house that if the asbestos mines at Black Lake have not been working for seventeen months and if now the Thetford mines only employ half the men that they did in June 1930, notwithstanding a 50 per cent reduction in wages, the Conservative party which has been in power for 20 months, is to blame. The government is entirely responsible for the unemployment prevailing in Black Lake and at Thetford Mines. It is owing to the government's bad administration and forgotten pledges that the mines at Black Lake are entirely closed and are only half worked at Thetford. The embargo placed by the government on Russian goods is also, to some extent, to blame for this situation. I do not approve of the existing régime in Russia, however, I am opposed to the policy of this government which set an example to all the other countries, to the detriment of our industries and our miners who have no work. It is all very well for a prime minister to request that we should repose our trust in him, he has, however, no right to abuse it to starve our workmen so that his name may become famous abroad. It is going beyond all limits and the workman is strongly against such means. If the embargo against Russia was necessary, at least, they could have waited until England, France, the United States, Germany and all the large countries of Europe took such a step; Canada could then have followed. But it is ridiculous that Canada should be the first to take such a step. All the great powers have continued to trade with Russia, and we, alone, have deprived our workmen of work by placing an embargo on Russian goods. Russia to retaliate, sowed, the following year, one third more wheat, and more than doubled its asbestos output, that is why prices of asbestos have fallen more than 50 per cent and wheat proportionately. That is the result arrived at by the embargo adopted by the Conservative government. If the mines at Black Lake are closed, it is because Russia has lowered its prices 50 per cent and doubled its output. And if a similar situation exists at Thetford Mines, the embargo is also partly to blame.

The government, sir, not content with seeing the number of unemployed become larger every day, increases the cost of living by putting up the sales tax 6 per cent, this year. Will that benefit the unemployed? The cost of living having increased, they will become more numerous.

Both the budget and the bill authorizing a horizontal cut of 10 per cent in salaries is evidence of the lack of interest which the government takes in the small wage earner. The latter is called upon to bear this cut while a great number of high salaried people are exempt. This is shown by the speech of the hon. Minister of Justice (Mr. Guthrie) who advocates exempting a class of high officials. Is this a good way of helping the country to reduce its national debt? If the government actually requires these $8,000,000 to balance its budget, why call upon the small wage earners instead of requesting those who are making large profits and are in a better position to put up the money, for a year only? Why not increase the tax on profit from 7 per cent to 50 per cent, after deducting what the act allows for living and overhead expenses. I am quite sure that millionaires and high financiers, who boast of being so patriotic when they force small wage earners to pay, would be willing to help the government to balance its budget, since it would be only a matter of one year.

Mr. Speaker, as long as the government endeavours to levy taxes on those who have no money, it will continue to pile up deficits.

Another subject to which I want to draw the attention of the house will interest, I think, members on the government side as well as those in the opposition, as we have all pledged ourselves to help our constituents. For over twelve years a certain person known as Garfield MacKinnon, who passes himself off as secretary of the Association of Mail Contractors of Canada, and gives as his address Guelph, Ont., has been—according to informa-

tion which I gathered following an inquiry which I have been making since February 6 last on his activities—travelling through part of Ontario and Quebec as well as through the Maritime provinces, in order to exploit the mail carriers wherever he goes, and take advantage of their trust in him. After having given to the house the proofs which I have in my possession, I hope that members who also are in possession of any evidence that Garfield MacKinnon has also swindled their constituency, will kindly make it known to the hon. Postmaster General (Mr. Sauvé), in order that he may hold an inquiry and protect in the future employees against this individual.

In January last, Mr. MacKinnon came to the county of Mégantic and held meetings, at Thetford Mines, of all mail contractors residing in the upper part of the county; he also held a meeting at Plessisville. The latter took place on January 23. Those present state that the defeated candidate at the last election, Mr. J. L. Beaudoin was also present and that Mr. Garfield MacKinnon promised all mail carriers who joined the association that they would receive in the future $70 per mile, they would also be paid for all legal holidays and all letter boxes would be placed on the right side of the route; he, however, added that those who refused to join the association would lose their position within six months.

To prove my contentions, the following is an affidavit, sworn before notary C. E. Gosselin, of Plessisville, and a receipt given by Garfield MacKinnon to Mr. Joseph Côté, mail carrier:

Province of Quebec,
District of Arthabaska,
Plessisville.

We, the undersigned Antonio Boulanger, Wilfrid Boulé and Joseph Côté, mail carriers, all three residing in Plessisville, after being sworn on the Holy Bible, state:

That we are under contract to carry the mail, the first, on rural route No. 1 Somerset-South; the second, mail carrier from the post office of Plessisville to the station of Plessisville and return; and the third, on rural route No. 2.

That on or about the last days of January, 1932, a person named Garfield MacKinnon, claiming to be secretary of the association of mail carriers or mail contractors, called at the respective domiciles of the undersigned, requesting a contribution of five dollars, as mail carrier, otherwise they would lose their contracts.

That the said Joseph Côté alone paid the five dollars requested.

That the two others refused to pay said amount of five dollars.

Sworn before me, at Plessisville, this 4th day of April, 1932.

Antonio Boulanger,
Wilfrid Boulé,
Joseph Côté.

C. E. Gosselin, N.P.

The following is the receipt given to Joseph Côté:

"Membership"
Canadian Mail Contractors' Association
Plessisville, Que.
January 23, 1932.

$5

Received from Mr. Joseph Côté, P.O. to C.N.Ry. Plessisville, one membership fee of five dollars to the Canadian Mail Contractors' Association.

With thanks,

Garfield MacKinnon,
P.O. Box 34, Guelph, Ont.
Sec.-Treas. Canadian Mail
Contractors' Association.

The day of his arrival at Plessisville, I was notified by telephone that Garfield MacKinnon had held a meeting of all mail carriers, at the hotel, in order to induce them to join the Association of Mail Carriers of Canada. A number of my friends having notified me of what was taking place at Plessisville, I asked them to advise the mail carriers not to join this association before ascertaining whether Garfield McKinnon was employed by the Post Office Department and to refuse his request should he not give proof to that effect. I promised them that as soon as I arrived in Ottawa, I would make inquiries and notify them whether it was in their interest to join this association. On my arrival in Ottawa, at the beginning of February, I communicated with the Post Office Department so as to obtain information on this matter, and I wrote the following letter to the Superintendent of Mails:

Ottawa, Feb. 5, 1932.

G. C. Anderson, Esq.,
Superintendent,
Post Office Department,
Ottawa, Ont.

Dear Mr. Anderson.—Will you be good enough to let me know if there is an association for mail carriers in Canada, if so, is Mr. MacKinnon, Ottawa, formerly from Guelph, the secretary.

If this association still exists, will you be good enough to let me know the name and address of the president.

Yours truly,
Eusèbe Roberge, M.P.

The following is the answer received on February 6:

Post Office Department, Canada, Mail Service Branch
Ottawa, 6th February, 1932.

Eusèbe Roberge, Esq., M.P.,
House of Commons,
Ottawa, Ont.

Dear Mr. Roberge,—I beg to acknowledge your letter of the 5th February, with regard to the Canadian Mail Contractors' Association.

In reply to your inquiry, I desire to advise you that the last information I have on the

matter is a circular issued in 1928 at which time Mr. Joseph P. Everett of Blenheim, Ontario, was president of this association.

In connection with the activities of Mr. Garfield MacKinnon, I am enclosing for your information copy of circular issued by the District Superintendent at Quebec, in accordance with instructions from the department.

Yours sincerely,

G. C. Anderson,
Superintendent.

As mentioned in the letter of the Superintendent, he forwarded to me a circular letter from the District Post Office in Quebec, dated July 19, 1927, which I shall read to the house, as well as the questions that I had inscribed in Hansard on February 18, 1932, and the answers given by the hon. Postmaster General (Mr. Sauvé).

The following is the circular letter received:

Office of the District Superintendent of Postal Service

Quebec, July 19, 1927.

Notice to Mail Contractors

The department is informed that Mr. Garfield McKinnon is still endeavouring to collect $5 from mail contractors as a subscription to the association of mail couriers; and in order to obtain this amount he threatens to have their contract cancelled unless they pay said amount.

I am instructed by the department to notify all couriers plainly and precisely that Mr. McKinnon has no influence whatsoever with the Postmaster General and that he is entirely unable to follow up his threats as regards cancelling contracts.

Mail contractors will kindly observe that there is no necessity for them to join the association of Mr. McKinnon in order to submit their complaints to the department as all mail couriers are free to communicate directly with the Postmaster General. All improvements in the service in the past was done independently of Mr. McKinnon's efforts and it is therefore useless for them to pay $5 to Mr. McKinnon in order to receive favours from the government.

Mr. McKinnon obtains money under false pretence when he threatens to have their contracts cancelled, while, on the other hand making them promises.

S. Tanner Green,
Administrator.

The following are the questions which I put to the Postmaster General, on February 18, 1932:

No. 32

Mr. Roberge: Monday next—Question:

1. Did the Saskatoon district superintendent of postal service on July 28, 1922, send out a circular stating that Garfield McKinnon was to have a bill introduced in April, 1920, in order to improve the position of mail contractors?

2. Did said contractors pay any money to McKinnon?

3. If so, what amounts were contributed and what benefits did they derive?

[Mr. Roberge.]

4. Did the Quebec district superintendent of postal service send out a circular on July 19, 1927, warning the said contractors against the promises by McKinnon?

5. Does the said McKinnon still seek contributions from said contractors?

6. Has the government taken the necessary measures to prevent McKinnon carrying on such practices?

The following are the Hon. Mr. Sauvé's answers:

1. No record.

2 and 3. No official record. No benefits derived by contractors from activities of Mr. McKinnon.

4. Yes.

5. Department understands Mr. McKinnon solicits contributions.

6. Contractors have been properly advised.

After receiving this answer, as the Post Office Department had published a circular letter dated July 14, 1922, notifying mail contractors not to join this association, I made use of this circular letter to point out to those interested the means Garfield McKinnon took to gain the confidence of the mail contractors and swindle them, as shown by the letter he wrote himself on March 24, 1920, and mentioned in the circular letter of the Post Office Department, of July 14, 1922. I shall not read the whole circular because it is somewhat long. I shall simply quote some extract:

On March 24, 1920, Mr. McKinnon wrote to a rural mail contractor of Ontario, as follows:

My Dear Sir,—

Your letter received to-day and I was very glad to hear from you. I am working very hard day and night, doing my very best to secure a large membership, as quickly as possible. In order that we can have our case carefully prepared and presented by experts before the government and parliament, at Ottawa early in April, and I would very much appreciate it, if you would kindly join with us at once.

We will be successful in our undertaking with the government, just as soon as our membership is large enough. So will you kindly do your duty and join with us at once.

Kindly let me hear from you at once.

Yours very faithfully,
Garfield McKinnon.

According to these extracts, which I have just read, Garfield McKinnon was to have a bill introduced in April 1920, in order to improve the lot of mail carriers. To find out whether such a bill had been introduced in the house between the above date and up to the time of making this statement against Mr. McKinnon, I wrote to the law clerk of the house, and his answer is as follows:

Mr. Eusèbe Roberge, M.P.,
House of Commons,
Ottawa.

Dear Mr. Roberge,—

Pursuant to your letter inquiring whether a bill had been introduced in the house since April, 1920, by Garfield McKinnon, or by others, to improve the position or lot of mail contractors, I must state that I went over the files covering the whole of that period and that at no time was such a bill introduced in the house. I came across a dozen bills relating to the Post Office Act, but none in the nature referred to by Mr. McKinnon.

Respectfully yours

Maurice Ollivier,
Law Clerk.

Tuesday, Feb. 23, 1932.

As you see McKinnon never had such a bill introduced in the house.

The following is a letter published in a circular from the Post Office Department. It is written in English, I had it, however, translated in French:

That this motive did not change is made evident by a letter from a postmaster in western Ontario, who on April 13, 1922, wrote to the Post Office Department, as follows:

On April 12th there was a man in this community by the name of Mr. McKinnon who was supposed to be organizing a mail couriers association.

He was leading the couriers (also the ex-couriers) to believe that he could get them back pay on their contracts as far back as 1917. They were to be paid at the rate of $70 per mile. Some of the old mail couriers were supposed to receive two or three thousand dollars back pay. Of course for the services Mr. McKinnon was going to render them he collected from the couriers the sum of $5 each—at least from those who were foolish enough to pay him. I know some of the ex-couriers who paid him the $5, and he is supposed to dig up this $2,000 or $3,000 of back pay for them.

Our old couriers, Mr. and Mr. paid him the $5, and believe me they need the $5 worse than the man who received it.

It is my opinion that such men as this should not be allowed to travel through this country, taking money out of real poor men, and leading them to believe that he could get for them something which is impossible.

After obtaining the information given to the house, I wrote to all mail contractors of my county, the number 47. Of this number, 17 had paid, each, to McKinnon the sum of $5.

The reason for disclosing these facts to the house, is that McKinnon swindled, as I have just shown, in the county of Mégantic alone, seventeen contractors out of $5 each, he has therefore stolen from my constituents $85. I request the Postmaster General and the Minister of Justice to have this man arrested. He has been living on the proceeds of other people's money for too long, he has obtained their money under false representation.

Both on behalf of my constituents, who have been swindled, and on my own, I ask that this man be made to return all the money thus obtained in my county, or that he be punished accordingly. This man has been scoffing at our governments far too long; he began to play this game under a Conservative régime and did the same thing under the Liberal rule and he has started again since the change of government. I think that the Postmaster General and the Minister of Justice should act immediately and rid the county of this Garfield McKinnon who swindled such large amounts by abusing the trust of mail carriers.

Mr. LAFLECHE (Translation): Will the hon. member allow me a question?

Mr. ROBERGE (Translation): As soon as I am through, you may speak as much as you like.

I request all members to kindly furnish the hon. Postmaster General with any evidence they may possess, for, in their interest as well as mine, our people must cease being swindled by this adventurer. If, for the last twelve years, the Post Office Department has been unable to obtain the necessary proof to have this man arrested, it is because the mail carriers feared they would be deprived of their contracts if they gave an affidavit as the one I have read to the house. That is why I beg the hon. Postmaster General to give his mail carriers a renewal of their contracts for four years as a reward for the services they render to his department, and to prevent also the person who distributes political favours in the county of Mégantic, from cancelling such contracts.

The hon. member for Richmond-Wolfe (Mr. Laflèche) seems to be interested in this question. This being the case, I shall read to him a circular letter which I have in hand:

Meeting of the Association of Rural Mail Carriers

Richmond, Que., Dec. 22, 1931.

Mr. C. LeBrun,
R.R. 2 Bromptonville.

A meeting of the association of rural mail carriers will be held, at Richmond, in the City Hall, Tuesday evening, Dec. 22, at 8 p.m.

Your worthy member, at Ottawa, Mr. François Joseph Laflèche, will be present and will address the meeting. All rural mail carriers and mail contractors, either from post office to post office or post office to railway station, are earnestly requested to be present

at the meeting as questions relating to the improvement of the lot of rural mail carriers will be discussed.

Without fail be there!

Yours truly,

Garfield McKinnon,
Secretary of the
Association of Canadian Mail Carriers.

The hon. Postmaster General states in one of his answers to my questions, asked on February 18, that mail carriers have been duly warned; however, so many changes have taken place since this government is in power, that I thought it wise to notify all rural mail carriers to beware of Garfield McKinnon.

The following is another letter to show that this man is not deserving of trust, since he was unable to hold a small contract previous to becoming secretary of an association which he founded to exploit the people:

Ottawa, April 6, 1932.

Mr. Eusèbe Roberge, M.P.,
House of Commons,
Ottawa, Ont.

Dear Mr. Roberge,—

In answer to your letter dated the 31st ultimo, I wish to inform you that Mr. Garfield McKinnon was a contractor carrying mail on rural route No. 6 of Guelph, from Feb. 1, 1919, to Jan. 21, 1920. It was found necessary to relieve him of his duties as mail contractor owing to the unsatisfactory service given.

Yours respectfully,

G. Anderson,
Superintendent.

I think, sir, as a result of this proof and that which may be given by other members, the hon. Postmaster General will find it possible to prevent this individual travelling through our rural districts in order to obtain money under false representation as he has been doing for the last twelve years.

Miss AGNES C. MACPHAIL (Southeast Grey): Mr. Speaker, with other members I wish to extend to the Minister of Finance (Mr. Rhodes) my congratulations on his excellent presentation of the budget. I liked the manner of its delivery and particularly the absence of partisanship throughout the whole speech.

From the capitalistic point of view undoubtedly this is a good budget; that is, if we are to continue putting the interests of capital above the welfare of human beings. But since that is not my idea, it does not seem to me to be a good budget, particularly in the methods relied on for raising taxes. For the most part the new taxes are to be levied on the great masses of the people; the consumers will have to pay them. It is true the income tax will be paid by those on whom it is levied, but the sales tax, the nuisance taxes and the excise tax—which seems to be a new name for a tariff tax—are passed on to the consuming masses. This will increase unemployment, because the purchasing power of the people will be still further reduced, and at the moment it is dangerously low. So I do not favour the minister's method of raising revenue.

I should like to see the income tax very much increased, but not on the lower incomes; instead of an increase of one hundred per cent in the income tax on a $4,000 income, and reducing this percentage until on an income of $100,000 the increase is only thirty-two per cent, I would graduate the increased percentage the other way, so that the higher the income the higher would be the rate of income tax. I think very soon the time will come when we shall levy taxes on those who have the money to pay them. I have said that before in this house, and I shall continue to say so until finally it will be done. Really the masses of the people, our workingmen and farmers, are not able to carry any greater tax burden than that under which they are at present staggering. As a matter of fact, many of them are not able to pay their present taxes.

I was interested in the proposal made on Tuesday by the hon. member for Acadia (Mr. Gardiner) that the state should take over all incomes in excess of $25,000. Why not? At the present time we are in a jam because we have a surplus of goods, but those goods cannot be bought by the people who need them. There are persons enjoying large incomes who could spend more, but they are satisfying all their needs. In fact they do not know how to spend their money. The only way in which they spend it is in creating more machinery to produce more goods to add to the present surplus. Really it would be a convenience to them to suggest another channel of expenditure. True, they snap up government bonds, as we found out this year when the government floated certain loans; those loans were oversubscribed by people with more money than they knew what to do with. But we need a great deal of money to run this country, and by taking it from the masses in the form of burdensome taxation we are simply causing a greater amount of unemployment. Therefore it seems to me that it would be the part of wisdom—although I know that it does not sound sane in this house—to take over this accumulated wealth for the benefit of the state. Indeed, this would not be a very great hardship to our wealthy people, because their wealth will not

be of much use to them unless somehow or other we can get out of the depression.

Not only am I in favour of increasing the income tax on the larger incomes, but I am also in favour of an inheritance tax. Really I do not see why money should be inherited in such vast amounts. You cannot inherit education, you cannot inherit any accomplishment. When great sums of money are passed from generation to generation it really means that children yet unborn are destined to become the slaves of other children yet unborn, who by reason of the wealth they inherit from their parents will be able to command the services of hundreds of thousands of people. These whose services are commanded have not a chance to start life on even terms with their more favoured fellow citizens. I have in my hand what has been quoted in this house before, but I do not think it can be quoted too often. It is said that in the United States in 1929 five hundred and four persons had an aggregate net income equal to the gross amount paid to one million and thirty-two thousand cotton farmers and one million three hundred thousand wheat farmers. That condition of things cannot be justified. It is wholly immoral. It is just a question of how long it will take our people—because a similar situation exists in this country—the masses of our people, our workmen, farmers and small business men, to realize what this means, and to see to it that this great wealth shall be conscripted and applied to social uses to relieve the toiling masses from the burden of taxation that is driving them to desperation. Apparently the time is not yet ripe for this to be done, but it will be done, either during this depression or when we are in another, but in any case it will not be very long before in this intelligent age we shall see to it that those who have amassed great wealth by some means or other, legal but immoral, disgorge that wealth to take care of the social necessities of our people.

With respect to the Imperial economic conference that is to be held in this city in July, I have this to say to the government, although I know it does not matter whether I say it or not. They would be very wise not to parade the Imperial conference as much as they have done; at any rate I would suggest that they do not parade it any more, because the more people expect from it the worse it is going to be—for the government. I do not for one moment think that the Imperial conference is going to be the world-shaking event that we have been led to think. As a matter of fact, I agree with the hon. member for St. Ann (Mr. Sullivan), who spoke the other night. I will quote his exact words because they say just about what I want to say in this regard. The hon. gentleman said:

> The Imperial conference will sit in Ottawa in the month of July.

I think that is about what they will do; and for their sake I pray that it will not be as hot as it was last July, for that would be a bit hard on the old country people. Let us consider the Imperial conference for a moment. It is not that I do not want it to succeed; I do want it to succeed. But how can it? Last year the Canadian Prime Minister went over to Great Britain to tell the British people what they should do. They were to put up a tariff around Britain and give us a preference inside, while in return we were to leave the tariff against Britain where it was but raise the tariff against other countries ten per cent. In brief, Canada said to Britain, "You buy our goods and in return we won't buy yours." Since that time we have artificially jacked up in three ways the prices of British goods coming to Canada by artificially stabilizing the pound; by juggling with the value of goods for customs purposes; and by the new-fangled tariff called the excise. In other words, three times since then we have said to Britain, "We want you to buy from us but we don't want to buy from you."

The Minister of Trade and Commerce (Mr. Stevens), in his very excellent speech the other night, a speech that interested me greatly up to a point and then disappointed me terribly, talked about the things he would like to get from the British Empire. I have all the articles mentioned, but rubber was one of them—things that are coming in free; we shall get these from other parts of the empire. I fancy that will not interest the industrialists of Great Britain very much; at any rate it does not seem to me to be a major concession.

This is the thing that we must realize, and I think we all do realize it, and we might as well admit it, namely, that Canada's trade with the empire has been declining. In the calendar year 1931 we bought 75.8 per cent of our imports and sold 63.6 per cent of our exports outside the British Empire. In 1914 the empire took 55.3 per cent of our exports and in 1929 only 39.3 per cent. But the share of our trade with the United States, both exports and imports, has remained fairly constant over the same period, in spite of American and Canadian tariffs. As a matter of fact Canadian trade has expanded more with "other foreign countries" other than the United States. It is with these countries that

we have made our greatest increase in selling and buying. From 1914 to 1929 our exports to "other foreign countries" increased from 7 per cent to 24 per cent, representing almost one-quarter of the total trade. I am using figures from the Canadian Forum compiled by "F.H.U." who is Professor Underhill, I think. But there is something else to notice:

> Our greatest group of export commodities consists of wheat and wheat flour. We grow so much wheat in Canada that Great Britain cannot possibly absorb it all, and we are therefore dependent upon world markets. Our second greatest group of export commodities consists of forest products, lumber, shingles, pulpwood, pulp and paper, and for these the United States is the greatest market. Even if Great Britain shuts out the Scandinavian countries and the wicked Russians, her market, as Professor Underhill says, cannot be a substitute for the American market which we already have.

In view of all these facts, which are known to all of us, it is foolish to hope that we shall be able to build up empire trade unless each part of the empire makes concessions to the others. This is the thing which the government ought to take to heart: It cannot be done with the attitude which the government took in Great Britain last year and which they have held consistently since. Unless we are willing to buy goods from Great Britain, we cannot expect her to go on buying in large quantities from us. Personally, therefore, I do not think that the Imperial conference, which, as the hon. member for St. Ann so aptly said the other night, is to sit in Ottawa in July, will be a great success. I do not think it can be.

May I now for a good part of my time devote myself to agricultural conditions. By agricultural conditions I do not mean calamities like the drought in southern Saskatchewan, Manitoba and Alberta; I mean agricultural conditions that are normal so far as yield is concerned. It is true they are not normal, because the commodity prices have fallen so badly; but as to yield, conditions are quite normal. I know a good deal about farmers and I know that in the best of times farmers work harder than most people. Their hours are long and their labour is hard and unending. On the other hand, country life has many compensations. Anyone who lives in the country, who has spent most of his life on a farm, knows that such life has its compensations. But the farmers to-day are suffering so terribly that I am afraid they are not remembering the compensations of country life. We recall that in 1930, the last session of the last parliament, we heard a good deal about the suffering of the Canadian farmer. I can still remember how speakers then on this side of the house, and now members of the government party, would get up one after another and tell us, almost with tears in their eyes, about the terrible condition of Canadian agriculture, warning us that if the Conservatives were not returned to power it was going to be disastrous indeed for the people on the land.

An hon. MEMBER: And if they were returned to power?

Miss MACPHAIL: We know all about that now. In case you have forgotten it—this was before they went to the country—I want to give some of the gems of wisdom that fell from their lips. The hon. member for Carleton (Mr. Garland), at page 653 of volume 1 of Hansard of 1930, the long session before the election, interrupted the hon. member for Weyburn (Mr. Young), to ask this question:

> Do you consider 45 cents per dozen a fair price for eggs in the middle of January?

If you had asked anyone that question this year they would have dropped dead with surprise. The hon. member for Parkdale (Mr. Spence), in his inimitable style, said, as reported at page 649 of the same volume of Hansard:

> The egg industry is just like every industry since the government came into power—it is sliding through to ruination.

Well, it is through. If it was sliding before, it has at least now stopped; it is at the bottom. And the hon. member for South Hastings (Mr. Tummon), speaking in the same debate, as reported at page 391 of the same volume of Hansard, referred to the production of cheese and butter as an outlet for the farmer's milk, and said:

> To-day they are receiving perhaps from $1.25 to $1.50 per hundred pounds for their milk.

Those were the makers of cheese. Then he went on to say:

> Therefore when the argument is advanced that the dairy farmer is content to take from $2.10 to $2.40 per hundred pounds for his milk and to get his butter elsewhere, the members of the government who present that argument are simply saying to over two-thirds of the dairy farmers of this dominion: you can dispose of your product just how you like; we are not interested in you at all.

I direct attention to those prices, $2.10 and $2.40; apparently he thought they were poor prices. Now I should like to refer for just a moment to the speech of the hon. member for Dufferin-Simcoe (Mr. Rowe), that dynamic and distinguished gentleman from my part of Ontario:

> Personally, I hope this government may very soon decide to go to the country, because I

realize full well a change of government is of vital concern to me and to all others interested in farming, and unless steps are taken very soon to this end, farming is a job that will not be sought by very many people.

Further on he said:

These are matters of economic consequence to the farmer, because we hear a great deal about prosperity, there is in Canada to-day no other class that is labouring harder, working earlier, toiling later and getting less for its efforts than the agriculturist.

Again, he said:

At last it is beginning to be realized that agriculture is the basic industry of Canada, and that when it declines, when it gets on an unsound economic basis and loses the wide-spread markets it has enjoyed in the past, all the subsidiary industries that are dependent upon it begin to feel the pinch.

That was bad enough in the session of 1930, but it was nothing to the very terrible story told throughout the country while the campaign was in progress. It is a waste of time to recall it, but when I hear supporters of the government pleading for understanding in this house and in the country, saying the condition from which we suffer is a world condition, that agriculture must be patient, that members of parliament must be patient, that the people must be patient, and that we must be fair, I wonder if they remember the speeches they made in 1930. Then they were anything but fair. The Prime Minister came into my constituency, dramatically waved his hand at a closed factory across the street and said "Put me in power and in three weeks that factory will be running full time." That was not enough; a little child toddled up on the platform and the Prime Minister, putting his hand on the child's head said, "Let us vote right for the children's sake." I did not say things like that in 1930; I said the condition under which we were suffering was not entirely due to any government, and then I was accused by my Conservative opponent of being a Liberal. That was a gross libel.

What are agricultural conditions to-day? I should like to give you some of the facts. We were talking about milk, and I now quote from the Milk Producer for February:

Cheese factory milk in 1931 averaged around 70 cents a cwt., some of it less or about the same price obtainable in say 1905. At that time it cost less to manufacture cheese and to hold milk. Taxes were only one-third of what they are to-day. Living costs were less, as prices for what the farmer had to buy were comparable with what he had to sell.

It goes on to say that everything the farmer has to buy has increased in price while everything he has to sell is at about the same price it was in 1905. I was home at Easter, and on the Saturday following Good Friday—I heard someone call it Good Saturday the other day, but I think that is not right—I went out to buy some eggs. I paid 25 cents for two dozen of extras, so you see this government has not been of very great assistance to poultry raisers. The hon. member for Parkdale (Mr. Spence) will see that the egg industry has "slid through to ruination."

Now I should like to make a comparison of prices in connection with many farm products, taken from a Toronto newspaper for the first week of February. The first item is cream sold on a butter fat basis. It sold at sixteen cents a pound in February of this year while in 1930, when things were supposed to be so fearfully bad and when the government now in power promised to remedy everything, it sold for 35¼ cents. Some of the other articles are:

	February 1932	February 1930
Eggs (extras)	23 cts.	48 cts.
Butcher cattle	$5 35	$10 25
Hogs	4 25	13 00
Choice butcher sheep	3 50	8 00
Spring lamb	7 25	12 50
Choice calves	8 50	15 50

I really wonder that hon. gentlemen opposite talk about agriculture at all when I think of the things we heard and the insolence to which I listened in Southeast Grey from Conservative speakers there. I am certainly amused when I think of them to-day. Last week there was a rural conference held in Newmarket which was addressed by a United Church minister, Mr. Armstrong, who is now in Dundas county. He has recently written a book called Salt of the Earth, which deals with people on the land. They may be the salt of the earth, but apparently they have no power in this government. With reference to the conditions of the dairy farmers he says:

Very few herds have an average yield of six thousand pounds of milk per year. Six thousand pounds of milk at fifty cents per cwt. amounts to $30 per year. Take a cow that cost $80 two years ago. Sound accountancy should allow about fifteen per cent for depreciation and another five for insurance. Then she has to be fed and housed and groomed and milked, and the milk taken to the factory. When all these costs and this work are taken into account the income of $30 will come a long way from paying for them.

I should like to discuss agricultural conditions in Southeast Grey, where extreme poverty was hardly known until recent months. In that riding there were no wealthy people and no extremely poor people, but to-day the farmers in all nine townships are having a tremendous struggle. I am referring to the

real farmers, not those who must be lectured by someone from the agricultural college but farmers who do their work very well and who are a fine type of citizen. I have here a number of letters to which I am going to refer. The first is from the clerk of perhaps the best township in my constituency. He gives prices, quoting the figures for February 18. He pointed out that they were then getting from seventeen to twenty cents a dozen for eggs—they are much lower now—for cream, fifteen cents a pound butter fat; for hogs, four and a quarter cents a pound. He went on to say:

> I had seven out on the 18th February and received $55.35. A year ago the same hogs would have brought a little over $127.

It is no wonder the Minister of Trade and Commerce said the other day, in such profound manner I almost thought it was a discovery, that when commodity prices fall, debts increase. At any rate, I am glad we all know this, but it was something I thought we should have known a good while ago. So the farmers of Southeast Grey and, indeed, of Canada generally, are finding their debts have increased—well, you can multiply them by two and sometimes by more than that. I am going to take perhaps a little time on these letters that come from farmers who actually engage in the business of farming. One man says:

> Agricultural conditions are the worst I have ever known in my time and if conditions do not soon improve I believe that many of our farmers right here will be down and out and we have as good farmers and as good farming land as any in this province.

He is not complaining of natural conditions. Another farmer who lives in my immediate neighbourhood compares prices with taxes. He says that the total taxes on his farm in 1896, including his road work, which really was manual labour but which he put in at the rate of pay prevailing at that time, amounted to $15.87; this year taxes on the same farm were $106.70, with grain and stock at about the same prices as they were getting thirty-five years ago. He said that then he could get a man for eighty cents a day for haying and harvesting; this year he paid $2 to $2.50 a day.

He gives an interesting comparison of prices between 1896 and 1931, as follows:

Commodity—	1896	1931
Sugar	$2 90	$5 25
Tea	0 25	0 50 to 70
Flour	2 25	2 70

With wheat $1 in 1896 as against 65 cents in 1931. He goes on to give many other articles, including some implements, as follows:

[Miss Macphail.]

Implement—	1896	1931
Walking plough	$ 12 00	$ 27 00
Harrow	12 00	25 00
Seed drill	50 00	140 00
Binder	125 00	240 00

One could go on and on with similar examples, if time permitted. The situation really amounts to this, that the farmers are putting their products on the market below the cost of production and are giving their capital away with every pound of beef, every hog, every bushel of grain, every pound of milk, every dozen of eggs they sell. Some farmers do not realize they are doing this. They are cutting down their living expenses; their standard of living is below what it ought to be; it is becoming lower all the time. By living miserably, indeed, not really living at all, they are trying not to break in on their accumulated capital, but they are actually giving their capital away and cheating themselves. Many farmers who had little mortgages on their farms are finding they have to take bigger ones if they can get them—and some of them cannot; they have to borrow money, and in that case they are simply breaking into their capital.

There has been a decline in the cost of living. This afternoon I secured some figures in this connection from the Bureau of Statistics. The following shows the decline in retail prices from January, 1930, to March, 1932:

Commodity—	January, 1930 Index number	March, 1932 Index number
Foods	106·5	66
Clothing	96·5	76·4

It must, however, be remembered that the things that have fallen most heavily in price are those which the farmer produces, while the things he buys have not fallen very much. So that the farmer, while he is providing a lower cost of living for people who do not farm, is not himself benefiting to any great extent from a lower cost of living.

The drop in agricultural prices from August, 1929, to March, 1932, is 53 per cent, while the drop in manufacturers' prices—this is not retail—in the same period is 25 per cent. I am quite sure, if I had been able to secure the figures for the drop in retail prices, they would not have followed that of the manufacturers'; I do not believe retail prices have declined 25 per cent. Outside of representatives of industrial centres, there is hardly a person in the house who has not some farmers in his constituency, and we find that farmers are being ground between lowered commodity prices and proportionately increasing cost of living, including interest on debt. If it was said

away back in 1930 that the farmer was becoming discouraged, you can take "becoming" out and say that the farmer is discouraged. It seems to me that the government which is now in power will have to embark upon a policy of inflation, because when the farmers of Canada send their products, we will say, to England, and are paid in English money, when they get that translated into Canadian currency, they receive less for their product than it actually brought in Liverpool, little as that was. I do not see how we can go on doing this, and so finally we shall go into a policy of inflation, or "reflation," or whatever you like to call it. I do not care what the term is, but there simply must come about a closer relationship between the amount of goods to be moved and the amount of money in circulation. I believe we shall have to acquire a new idea of money and think of money as something that transports goods from the person who sells them to the person who needs them, and then the services that money performs can be paid for. But we are not now over paying for the services it performs; we are paying tremendous wages to money for services which, as it happens, it does not perform.

I feel very keenly in regard to the agricultural situation, and I think hon. members can readily understand why. It is not simply that I represent an agricultural constituency; it is that these men and women, boys and girls, are the best we have in Canada. Remember this, that agricultural people are the source not only of our food supply but of our national life, and if we cannot keep on the farm a decent standard, not only economic but cultural; if we cannot hold our best blood on the land, at least as the source of the life of our urban centres, then indeed, we shall be sapping our national life at its very source.

I have always been extremely interested in cooperative endeavours. I have felt for a long time that farmers can do very much to make their life better by selling, processing and completely marketing their own products cooperatively and buying cooperatively what they need; but you cannot successfully build up cooperative enterprises on a falling commodity price level; it simply cannot be done. If you can keep your price level steady, or if you have a price level that is rising, then the building up of cooperative enterprises is an easy matter, but if you try to build up a cooperative enterprise on a falling market all you do is to bring one more cooperative concern to an end and to discredit the whole movement. For instance, last year we had a number of wise people in the house who knew how the pools got into difficulties. The reason was simply that the price of wheat fell to almost nothing. We have a little abattoir up at Barrie, the first thing of its kind in Ontario. It is experimental; we are trying to have the farmer process his own hogs, lambs and calves. What happened? Three things. First of all, the government pays high interest rates, and so all other enterprises in Canada must do the same thing. Secondly, there was a falling commodity price level, which meant that the meat that you put in to cure was put in at a price higher than that at which it could be sold when they came out of cure, and of course you cannot make money fast that way. Thirdly, in Canada we lack efficient trained men with social consciousness. You can hardly find them. There are some, I am glad to say, but not very many, and when a cooperative enterprise strives to get people who will serve the whole group, people who do not think that success can be measured in dollars but know that real success comes from serving a group and in having the supreme satisfaction of seeing the standard of living steadily raised, whether it be in a rural or urban community, it is very hard to find that kind of person. All these things make it very difficult to make a cooperative enterprise successful. I think one of the casualties of this depression was A. J. McPhail, president of the Saskatchewan wheat pool. Speaking of cooperation he says:

> The prospect of greater financial returns alone is not enough. Unselfishness, the spirit of sacrifice, the spirit of fair play, of "do unto others as you would that they should do unto you," of kindness—these qualities make a great and lasting appeal to the hearts and imaginations of men. Cooperation in its best and truest sense stands for all of these.

Again he says:

> Cooperation is a combination of the practical and the ideal. It offers ample scope for putting into practice the ideas of the practical man as well as the ideals of the idealist. It is not only the most efficient, economical and practical way of doing business but when carried to its ultimate conclusion it recognizes equality and the interdependence of all human beings. It provides a business medium through which progressive and socially minded men and women wth high ideals can find satisfaction and peace of mind in useful work. It is revolutionary in that it aims to bring about a more equitable distribution of wealth by returning to its members as nearly as possible the full value of the product of their labour.

I did intend to make some concrete suggestion as to what might be done even in this trying time to remedy at least in part the agricultural condition. One suggestion is

this. In the case of experimental processing stations, such as the one at Barrie and others that are being started, all the expert help that can be given by the government should be given, and I do think it ought to be possible for these concerns to raise loans without having to pay a high rate of interest, so as to give them some sort of chance. I do think that we must have some degree of inflation. We must at least get ourselves on a par with the pound sterling so that we will get as much money for our products in Canada as they actually brought when sold in Great Britain. I feel that by relieving farmers and the masses of the people—

Mr. SPEAKER: The hon. member has spoken over forty minutes.

Mr. ERRICK F. WILLIS (Souris): Mr. Speaker, I think it is a matter of happiness to this house and the country that this year we had a budget presented by one of the country's most eminent statesmen, the present Minister of Finance (Mr. Rhodes). It is a matter of equal satisfaction that the hon. member for Shelburne-Yarmouth (Mr. Ralston), who acted as financial critic on behalf of the opposition, also comes from the same small town of Amherst in Nova Scotia. It is also a matter of satisfaction that we have in this house the member for Cumberland (Mr. Smith), who comes from the town of Amherst. It may be said of that town, I think, that it has given to this country more than its share of the outstanding statesmen of this house.

I desire this evening not to follow the budget closely but rather to make reference to conditions which have existed and do exist in the province of Manitoba, particularly in the constituency from which I come. May I say that my constituency has the doubtful distinction of comprising within its borders the entire drought area of the province of Manitoba as designated by a survey made by the Department of Agriculture of that province. I do not think I can better inform the house of the serious conditions that exist there than by reading a letter which I received a short time ago from the reeve of the municipality of Edward, within that area. The letter which is dated March 7, 1932, and addressed to myself, says:

> We have had a cold stormy week and to-day caps it all. It is without doubt the worst day to be out in this winter so far. The week before last we had a thaw which took practically all our snow. Then we had a fresh snowfall of about six inches accompanied with much wind so that very little stayed on the ploughed fields where we would like to have it. It has also been very windy and cold since. The dust did not rise much before, but to-day the air is full of grit, even the snow mixed with it does not keep it down it is so cold and dry.
>
> Our conditions here may well be described as desperate. I am afraid there are many around both cold and hungry to-day. After the thaw cattle were able to pick up a little in the fields but they can get nothing now and many are out of feed. Ninety per cent of the horses have had to get their living on the prairie all winter and this weather is particularly hard on them. We recognize that considerable has been done for us, the relief work last fall, and the free freight on feed and wood, but the people here have mostly exhausted all their resources; their savings if they had any, the help from their friends, without help now to get feed and seed we are down and out. . . .
>
> Some among the farmers are very bitter at what they are taught to regard as the indifference of the dominion government to our needs. . . .
>
> Yours truly,
>
> M. J. Basted.
>
> Pierson, Manitoba.

It is the latter paragraph to which I wish particularly to direct my attention this evening. This matter was first brought to the attention of the house by the Prime Minister (Mr. Bennett) who, speaking in this chamber on July 29, 1931, as reported at page 4280 of Hansard, had this to say:

> I have endeavoured to make clear to the provinces that if we are to maintain any semblance of constitutional right they must be responsible for the creation, within the area of the provinces, of those committees of administration, of control and of supervision which will insure that during the coming winter there will be no hardship, hunger or suffering. But in my judgment it would be an anomaly, and would result in a very difficult situation indeed, if we were to say that the dominion government should assume responsibility for setting up organizations to deal with local communities. I think that would be the negation of every theory we have of constitutional government, because it would involve an assumption that we had such a condition in this country that the provinces, the municipalities, the towns and the cities could not function. It is possible that they may not all be able to function because of financial difficulties, but with respect to the calling of meetings, the appointing of committees and dealing with matters of that kind I have asked all the premiers of the provinces except the premier of Quebec, who said they had the matter well in hand, to consider the matter from that angle, that the provinces, within their several areas, should organize voluntary associations or committees which would undertake to see that the difficulties which must be met during the winter will be successfully overcome.

May I say that that invitation as issued by the Prime Minister was accepted by the province of Saskatchewan, which did set up its organization. May I say that within my own area I went to the different councillors and reeves, pointing out to them their responsi-

bility. Particularly I told them that they must place their needs before the provincial government and that that body in turn would deal with them or would ask financial aid from the federal government. Within the area of my home constituency, certain municipal works were carried on. Taking an average of those works, which were chiefly road construction, in which the responsibility was divided between the municipality, the province and the dominion, the dominion paid 55 per cent of the cost, the province paid 35 per cent and the municipality 10 per cent. There was indeed a great need for those works, because had they not been carried on the people could not have fed their horses or placed their land in shape by doing fall ploughing. Without that assistance it would have been useless to attempt to have a crop. In addition to that the federal government unassisted by the province or municipality, carried on public works and spent $46,000 in my constituency.

I desire to refer more particularly to the correspondence which has taken place between the federal and provincial governments in an attempt to answer the question asked by the municipality of Edward as to where responsibility lies. First I shall refer to the return which was brought down in the legislature of the province of Manitoba. I find a telegram dated October 23 of last year addressed to A. MacNamara, assistant deputy minister of the Department of Public Works at Winnipeg. It is as follows:

> Your telegram October 22 regarding purchase of feed. I am directed to inform you that the expenditure proposed in this connection cannot be contributed to by Dominion government.
>
> Harry Hereford,
>
> Dominion Director.

I bring this telegram to the attention of the house because it shows that on October 23 of last year this government stated its position to the government of the province of Manitoba.

Then, seven days after that, on October 30, in spite of the communication of October 23 we find a further message directed to the Hon. Robert Weir, Minister of Agriculture. The part referring to relief is as follows:

> In order to meet the situation it is proposed to allow the municipalities to furnish to any farmer not in a financial position to make his own purchase sufficient feed to carry his stock over the winter, and to pay for this feed on a basis of one-third by the Dominion government, one-third by the provincial government and one-third by the municipality.
>
> Yours very truly,
>
> John Bracken, Premier.

I desire particularly to have hon. members note that in spite of the refusal on October 23 the Premier of Manitoba, only seven days later, again asked for a contribution. Then, the next communication to which I wish to make reference is that of November 5, 1931, addressed to Mr. John Bracken, Premier of Manitoba, Winnipeg, Manitoba. It is as follows:

> There is an area in Saskatchewan where they have had three successive crop failures. The provincial government has set up a relief commission to advise in connection with this area. The whole cost of administration of this commission and everything in connection with the distribution of seed and feed is borne by the provincial government. In this area the Dominion government provides the money for fuel, food, clothing, seed and feed. If you have such an area and are prepared to set up such a commission and carry on in the same way, I shall be glad to place this matter before council.
>
> Yours very truly,
>
> R. Weir.

The answer to that telegram came from the premier of Manitoba on November 24, 1931. It is addressed to Hon. Robert Weir, Minister of Agriculture, and the clause referring to fodder relief is as follows:

> As to the appointment of a commission to administer relief in this area, we do not consider it necessary to go to that expense, but we do desire to secure the same measure of dominion relief that similarly affected areas in Saskatchewan receive. We know of no areas where there have been three successive crop failures, but in some there have been two partial failures and, of course, the complete failure this year. We are asking only for such assistance from the dominion as has been accorded to areas with the same number of failures in Saskatchewan.
>
> Yours very truly,
>
> John Bracken.

It is to be noted that Mr. Bracken would not set up a relief commission in the province of Manitoba, giving as his reason that he was not prepared to make the necessary expenditures. May I say that all this time a relief commission was operating in the province of Saskatchewan. I thought it best to learn some details in regard to that commission, because I was particularly anxious that my constituency of Souris should receive the same treatment as the constituency of Assiniboia in the province of Saskatchewan, just across the line. That constituency was in a location parallel to my own, that is to say both Assiniboia and Souris were within the drought area. Assiniboia is in what is known as the "B" area, or the two-crop failure area. The constituency of Souris also, has had crop failures for two years. I addressed my letter to Mr. MacPherson, the Attorney General, whom I happened to know, and on January 15, 1932, I received a letter

in reply from the Saskatchewan Relief Commission. It is as follows:

I have before me for reply your letter of the 8th instant to the Hon. M. A. MacPherson. In so far as "B" area is concerned I might state that the commission is suppplying relief in this area in the same manner, and under the same conditions as relief supplied in the "A" area, the only difference being that the "A" area was organized first, having suffered three successive crop failures.

This commission was set up by order in council, of the government of the province of Saskatchewan, for the express purpose of administering relief in any portion of the province where distress was apparent.

The commission is financed by the province of Saskatchewan and operates under the wing of the treasury department. All moneys expended by the commission are received by us and allocated by the treasury department for our use.

Yours faithfully,

G. B. Daniels,
General Manager.

The "B" area referred to in Mr. Daniel's letter is the area in which the constituency of Assiniboia is situated. He indicated that fodder relief was given to that area. I should like to add that Mr. Blakeman, in charge of the federal seed branch in the province of Manitoba, went to Mr. Evans, the Deputy Minister of Agriculture for that province, suggesting to him that the federal government was willing to supply two men to make a survey of the constituency of Souris or any other drought stricken area, if the provincial government would supply another two men. For reasons best known to themselves the provincial government refused to do their share.

I desire to refer in chronological order to the telegrams passing between Hon. Robert Weir, Minister of Agriculture and Hon. Albert Prefontaine, Minister of Agriculture at Winnipeg. The first telegram is dated December 5, 1931, and is as follows:

Re telegram. Alberta and Saskatchewan governments are purchasing feed and taking responsibility for their live stock. Dominion government is not buying any feed direct. Would expect Manitoba to do same.

R. Weir.

Then on December 7, referring to the same matter, we have a letter from Mr. Weir, Minister of Agriculture, to Mr. John Bracken, Premier of Manitoba. It is as follows:

Dear Mr. Bracken:

With reference to your letter of November 24 I feel there is no doubt but that Manitoba will be treated in the same way as Saskatchewan and Alberta.

The dominion government is not purchasing direct any feed for live stock for the provinces of Alberta and Saskatchewan.

Yours very truly,

R. Weir.

May I say that the Minister of Agriculture came to the town of Melita in my constituency on January 12. I met him in Brandon, and although there was a very bad snow storm raging he drove eighty miles out and eighty miles back to visit the reeves of the different municipalities. He got their opinions and took two of the reeves to Winnipeg to point out to the provincial government the needs of the community, and also to emphasize the necessity of the province taking up its constitutional obligations. The Minister of Agriculture at that time impressed upon the provincial government that they should state their needs to the federal Minister of Finance, and that financial assistance would be given. He pointed out also that there were no agreements in Saskatchewan in regard to their two-crop failure area, also that it was a provincial responsibility, and that all provinces were being treated alike. Following that there is a letter from Mr. J. H. Evans, Deputy Minister of Agriculture of Manitoba, to the Hon. Robert Weir, Minister of Agriculture, Ottawa. The letter is dated January 15, and the part relating to fodder relief which I wish to quote is this:

I am hurrying a copy of the complete statement of the standing of municipalities in Manitoba up to January 1, 1931. The municipal department is going to have available inside of one week a statement up to January 1, 1932, which will be forwarded to you immediately. In the meantime I am working on an estimate of our needs, both as to feed and seed. Obviously the best we can humanly do is to give you an estimate. This will be sent to you at the earliest possible moment.

I bring that to the attention of the house particularly to point out that on January 15 the Deputy Minister of Agriculture for Manitoba had not made an estimate of the needs of that province, very well knowing at the same time that the different municipalities within my area had furnished to the provincial Minister of Agriculture all the necessary material. I desire also to refer to additional evidence in a letter addressed to A. MacNamara, assistant deputy minister, Department of Public Works, Winnipeg:

January 16, 1932.

Dear Sir:

Referring to your letter of December 14th in which you mention the question of feed for stock, not only in the drought area of Manitoba, but in other parts of the province.

I have acted on your suggestion and have had Mr. Dickson look up his notes made at a meeting on October 2nd, and find that they do not deal with the point you raise, but only with the question of freight on feed to the drought area. Mr. Dickson, secretary to the minister, informs me that the Senator's attitude towards the question of feed and fodder, was that it was a matter to be dealt with by the provincial authorities, and the minister's secretary com-

ments that the fact that Alberta and Saskatchewan are both looking after the situation in the drought area in this regard would seem to bear this out.

Yours truly,
Harry Hereford,
Dominion Director.

I place that on record for the purpose of indicating that apparently there was an understanding as early as October 2 that a contribution would not be made by the federal government for that purpose. Then on January 30 the premier of Manitoba visited Ottawa, and at that time, so far as I can gather, he made his first estimate of the requirements of his province, amounting to $450,000. On February 16 we have the next letter of importance, when the present Minister of Finance (Mr. Rhodes) wrote to Premier Bracken:

February 16, 1932.

Dear Sir:

My colleague, the Minister of Agriculture, has brought to the attention of the government the question of the necessities of the provinces of Alberta, Saskatchewan and Manitoba in the matter of seed grain relief in drought areas.

You will, perhaps, for financial reasons, find it difficult to cope with this problem unaided. I write to advise you that the Dominion government is prepared to render reasonable assistance, and I make the tentative suggestion that for this purpose we will be prepared to lend you the necessary funds against your one-year treasury bills bearing interest at the rate of 5½ per cent.

If this proposal is acceptable to you, we are prepared to name a definite amount to be determined in the light of your necessities.

As you no doubt will require to make your plans as far in advance as possible, if you will, upon receipt of this letter, be good enough to advise me by wire what assistance, if any, you require, you will be advised definitely as to what extent we are prepared to assist.

The matter was again brought to the attention of the provincial government in a speech which the Minister of Agriculture made in this house again pointing out the responsibility of the province of Manitoba. I quote now from Hansard, page 344, two paragraphs taken out of their context to show how the responsibility was pointed out:

My idea had always been that the provincial governments should receive from the federal government whatever money was absolutely necessary and be responsible for looking after their own people.

Then again:

All I can say regarding the difficulty in Manitoba is that the duty of the authorities there is to put their case before the government, indicating what money they require; and in the meantime I should hope that they would strain every effort to look after their own people with the money received.

That seems to have had some effect because on February 19 Mr. Bracken suggested to this government that he would require not $450,000 but $500,000. On February 24 Mr. Bracken again changed his estimate and asked this government for $650,000. Following that the next, and I trust final, document, is a telegram from the Prime Minister (Mr. Bennett) to the Hon. John Bracken, premier of Manitoba, dated March 7, 1932:

The whole basis of our assistance to the provinces for unemployment and farm relief is founded upon the belief that the governments of the western provinces would discharge their constitutional obligations and that the dominion in the national interest should support and supplement the work of the provinces in the discharge of their duty. This is made clear in the legislation passed by parliament. We are treating the three western provinces on the same basis with respect to seed and feed. Saskatchewan has advised us that necessary legislation being passed to secure advances being repaid out of nineteen thirty-two thirty-three crop. We assume that similar legislation will be passed by Manitoba and Alberta. Dominion will accept treasury bills of provinces to enable them to function with municipalities in the case of Manitoba up to six hundred and fifty thousand dollars being the amount you indicate as required. Until farm relief act extended no further money can be paid except for obligations incurred prior to March first.

The last sentence of course refers to the blockade in this house at that time.

May I summarize the return to which I have made reference. First, it shows that continuous efforts were made on the part of the province to have the dominion contribute a share of feed relief, which was refused on October 23, followed by the federal government continuing to point out that it was a provincial responsibility; second, the request by federal government for setting up of relief commission or other administrative body and refusal by Manitoba because of expense; third, continuous request by the province that Manitoba be treated as southeastern Saskatchewan and continuous assertion by the dominion that all provinces were being treated alike, and assertion that Alberta and Saskatchewan were both looking after feed and fodder in drought areas of their provinces; fourth, feed requirements were not estimated by the province until January 30, and the estimate was changed on three different occasions with final estimate on February 24; fifth, no loan was requested for feed until January 30, and no refusal was ever made to loan money for feed, and never a consent to contribute a share of relief but only to finance province. That, as I say, is a review of the return. The matter in the province from which I come is of considerable concern

because there it has been taken up by the newspapers and by the public, and these are the allegations which are made. First, they say there has been unequal treatment. In Saskatchewan the provincial government, unaided, is looking after ninety-six municipalities in the two-crop failure area, and there is no agreement in regard to it. In Alberta they are looking after their drought area unaided by any share contributed by this government. Manitoba, according to its own survey, has only ten municipalities, and yet that province has been unable to look after that area so far as fodder relief is concerned. Saskatchewan, it is true, has seventy-six municipalities where for three years there has been a complete crop failure. There, apparently, they are feeding 300,000 people. In that area there used to be an average yearly crop in the last five years of 83,000,000 bushels. It is the only place in Canada where the federal government is spending money for that purpose, and it is the great exception. But you must remember that in Saskatchewan there are ninety-six municipalities in the same condition as in the constituency of Souris all of which are looked after by the provincial government. The farmers in my constituency have been treated unequally with those of southeastern Saskatchewan, because in southeastern Saskatchewan they were looked after by the Saskatchewan government, whereas in my constituency they were not looked after by the government of Manitoba.

These are comparisons between the federal constituency of Souris, in the southwestern part of Manitoba, and the federal constituency of Assiniboia, in the southeastern part of Saskatchewan. I have searched in vain among the records—and there are many—as to where this government has treated the farmers differently in Manitoba from the way it has treated them in any other part of Canada; but I find that the governments of Saskatchewan and Alberta have treated their farmers entirely in a different way from the way in which the government of Manitoba has treated the farmers in the drought areas of my province. I asked the hon. member for Regina (Mr. Turnbull) to send a telegram to the Minister of Agriculture of Saskatchewan, which he did, and the telgram, dated Ottawa, March 13, 1932, reads:

Hon. W. C. Buckle,
Minister of Agriculture,
Regina, Saskatchewan.

What time did provincial government or relief commission commence buying hay, oats or feed? When did distribution commence in federal constituency Assiniboia? What date did relief commission commence work?

F. W. Turnbull.

[Mr. Willis.]

The following came back in reply, dated March 14, and addressed to the hon. member for Regina:

F. W. Turnbull, M.P.

Most of Assiniboia seat in B area and distribution would be general at time commission started operations although provincial government gave some emergency relief. Relief commission started functioning September 1, 1931, and first emergency orders issued September 15, 1931.

W. C. Buckle.

That shows that into an area comparable with the area of the constituency of Souris, feed started to come, apparently, on September 15, whereas through provincial action no feed has come into the federal constituency of Souris. It is indeed to be regretted that such was the case, because we find that the provincial government of Saskatchewan came into Manitoba and bought there their feed supplies in the way of oats and barley and shipped them into Saskatchewan, and now, when Manitoba is looking about for feed and seed, it finds that the best of it has been sold to the government of Saskatchewan.

The second allegation made against this government is that there was uncertainty and no cooperation. I want to point out that on July 29 the Prime Minister placed the responsibility on the province of Manitoba. On October 2, apparently, Senator Robertson again placed upon them that responsibility, and on October 23 they had a flat denial in regard to a share contribution by this government. Again, they were invited on November 5 to set up a commission, but they refused. The responsibility was pointed out to them on December 5 by the Minister of Agriculture and on January 13 he went to the bedside of the premier of Manitoba and pointed it out again. Then, again on January 16, Mr. Hereford pointed out the responsibility, and on February 18 the Minister of Agriculture made a speech in this house in which he pointed out the provincial responsibility.

In the third place, it is said particularly that the dominion has plenty of money while the provinces in general have not. May I quote Mr. Bracken, as we find him in the Free Press of October 17, 1931, in regard to the financial standing of the province of Manitoba. He said:

It may be news to you that while some of the prairie provinces have had difficulty in selling their bonds at a reasonable price, Manitoba recently completed the sale of $5,000,000 worth at five per cent.

Then again, in his budget address, he pointed out the stability of that province; he said that they were practically balancing their

budget, at the same time taking care to point out the large deficit faced by the federal government. The province of British Columbia floated a loan successfully; the province of Alberta floated a loan successfully; the city of Winnipeg floated a loan successfully; the province of Ontario floated a loan successfully. Manitoba at first refused to float one, but I noticed the other day that they are going to float a loan at last for $5,000,000.

The fourth allegation against this government is that there was delay. May I point out that the loan was never refused by this government. It was first requested on January 30 last, and then it was changed on three different occasions, until the final figure came to this government on February 24. There were invitations all along the line from this government to the government of Manitoba, and there were warnings to them from this house through telegrams and letters. In regard to delay, may I say that when the time did come, the necessary legislation on the part of Manitoba was not ready to carry into effect the benefits to be derived from these moneys which had been loaned by this government.

The fifth allegation against this government is that the offer of a commission was not applicable because there was no three-year crop failure area in Manitoba. Let me point out that the commission set up in Saskatchewan, as noted in the correspondence we now have on Hansard, were looking after the "A" area, the "B" area and the "C" area—that is, those areas where there were respectively three crop failures, two crop failures and one crop failure.

It is pointed out also that there was a lack of knowledge on the part of the province of Manitoba. That is the sixth allegation. May I point out that the province of Manitoba could merely have taken down the telephone and asked the government of Saskatchewan how they were handling the relief question, and could have had the answer. It is said that the province of Manitoba has received orphan treatment from this government. The only orphans in the picture are the farmers of the drought area of Manitoba. They are the orphans that have not been fairly treated by the province of Manitoba. I repeat, they are the only orphans in the picture. The responsibility, so far as the federal government is concerned, was pointed out, I think, very well by the leader of the opposition (Mr. Mackenzie King), when he spoke in this house on April 3, 1930. It is agreed in this house that the responsibility is, first, on the municipality, and when it cannot function then it is upon the province; and finally, if the province cannot function, the federal government has the responsibility. That responsibility the governments of Saskatchewan and Alberta have accepted, and they have carried on and given feed and fodder relief to the farmers. Manitoba, of course, was unprepared, in spite of the information which they had from the different municipalities of which I know. On January 15 they had no estimate in regard to feed for their cattle. Then they changed their estimate on January 30, February 19 and February 24, on three different occasions, showing that they had taken no trouble to consolidate the information which had been received from the different municipalities in order to place it properly before the federal government.

It is pointed out that there is a limit to credit so far as the different governments are concerned. May I point out to the house that there is a limitation of credit for every individual, for every municipality, for every province and for every dominion, and unfortunately some dominions have gone beyond that limit. If in the province of Manitoba, as it is alleged, they are in excellent financial condition, then they are able to look after the farmers in the drought area perhaps even better than is the case in Saskatchewan or Alberta.

The chief difficulty, which may be seen throughout the entire picture, is this: At present the government in Manitoba is facing a provincial election which must be fought on federal issues. The premier of Manitoba criticizes this government in regard to unemployment, in regard to its agricultural policy, in regard to the deficit, in regard to old age pensions, in regard to the financing of relief and in regard to the lack of markets. I say to this house and to this country that it is unfair to the farmers of the district I represent that we have in the province of Manitoba a man who, while seeking aid from the federal government, at the same time criticizes that government in regard to its policies. I point to the premier of Alberta, who does no such thing. I say that is unfortunate and I know for the last six months I have been up against that difficulty, of having a man asking for help and at the same time criticizing those who are helping him.

I note that I have not a great deal of time left, but I want to point out that because of these conditions and because the farmers within that area have not been assisted by the provincial government, in my opinion conditions there at present are worse than they are in any other place in western Canada. In

that connection I want to point out also, as the Minister of Agriculture (Mr. Weir) pointed out, that this is a great and productive area. There is no lack of productivity of the soil; this condition exists for the same reason that a similar condition exists in Saskatchewan. Soil which for years gave crops is not doing so at present, and has not done so for the last two years because of drought. The farmers who are in that area are as efficient as the farmers in any part of Canada, but the drought is responsible for their condition.

In nothing that I say do I relieve this government of its real responsibility towards the people. It has a real responsibility to the farmers who live in my district, but so far —I know nothing of the future—I have sought in vain to find out in what way this government has not lived up to its responsibility in this regard. It is my considered opinion—and if it were not so I would not say it—that this government has fulfilled its constitutional responsibility and that necessarily the fault must lie with the government of Manitoba. The situation is unfortunate; within that area many cattle and horses have died. The horses remaining are in such condition that it will require more feed and much more care to bring them back to normal. They are so weak at present that they cannot do a full day's work, and they will not be able to do a full day's work when seeding comes along.

I think it is unfortunate that any question of politics should come up in regard to the responsibilities of the municipalities, the province and the dominion. The municipalities have worked hard to do what was possible for the people within their borders, but the municipalities have reached the end of their financial resources and now they must look to the province and the dominion for aid. I think the municipalities have fulfilled their responsibility to their own people.

The ACTING SPEAKER (Mr. Fraser, Cariboo): The hon. gentleman has spoken for forty minutes.

Hon. J. C. ELLIOTT (West Middlesex): At the outset may I follow the excellent example set by those who have preceded me and congratulate my hon. friend the Minister of Finance (Mr. Rhodes) upon his elevation to the important portfolio he now holds. May I also take this opportunity of congratulating him upon the manner in which he delivered his budget speech. He smiled; he almost seemed to be happy, and I wondered if the Prime Minister (Mr. Bennett) could have chosen anyone else who could have delivered a budget speech as black, as gloomy and as hopeless as the budget speech delivered by my hon. friend, in a manner equally happy.

For just a moment may I refer to some of the remarks of my hon. friend from Souris (Mr. Willis). I noticed that in beginning he said he did not propose to discuss the budget, I assume that there are a great many things in the budget which my hon. friend would not like to discuss, if I have been correctly informed as to what he promised would be included in the budgets introduced by this government.

Mr. WILLIS: My hon. friend is entirely incorrect.

Mr. ELLIOTT: One would almost think my hon. friend was a member of the legal profession from the way he denies anything before hearing what it is. I am told that my hon. friend, with the eloquence which comes naturally to him, went throughout the riding of Souris during the last campaign showing the people in that riding milk cheques—

Mr. WILLIS: Incorrect again.

Mr. ELLIOTT: Would it be better to say cream cheques?

Mr. WILLIS: Incorrect again, and may I suggest that three times is out.

Mr. ELLIOTT: I hope my hon. friend was not showing cheques for milk from which the cream had been removed. At any rate he, in common with a great many hon. gentlemen opposite, told of the terrible prices the farmers were getting for the things they had to sell at that time. I do not think my hon. friend will deny that, and I do not think he will deny that the farmers of Souris would be very glad to-day to be getting milk cheques such as they were getting at the time my hon. friend was touring his constituency during the last campaign.

Mr. WILLIS: Now you are correct.

Mr. ELLIOTT: At last we are on common ground. I may add that to-day there is not one product of the farm in connection with which the farmer would not be most devoutly thankful, to what he would regard as a kindly providence, if he could get anything like the prices he obtained when my hon. friend and his friends were going up and down this country saying things were just as bad as they could be and getting worse all the time.

With regard to the balance of my hon. friend's remarks, he spoke of the lack of feed for his horses, but if I remember correctly he was in favour of the duty on corn. While my

hon. friend was speaking of the difficulty of getting feed for his stock I was just thinking what a fine thing it would have been for the farmers of Souris if that duty on barley, which he so much favoured, had not been imposed by the present government a year ago.

Mr. WILLIS: The hon. member is again incorrect.

Mr. ELLIOTT: When my hon. friend gets to know me better, I hope he will find I am usually correct. It was a duty on corn as a substitute for barley.

I should like to say a word with regard to the address delivered by the hon. member for Southeast Grey (Miss Macphail). I have listened to her many times in the house; in fact I always listen to her when I have the opportunity, and I believe that to-night she made the best speech she ever delivered in the house. She cited certain figures relating to the prices which farmers are receiving at the present time for their products. They were somewhat along the line of some figures which I intended to quote, but I want to pay my hon. friend the compliment of saying that conditions as she pictured them are worse under the present administration than I had intended to show. If I correctly recall the figure she gave, it showed a decrease of something over 50 per cent in the price of agricultural products. The information I was able to obtain shows that the decrease was just a little under 50 per cent, but I have not the slightest doubt that she is correct, so I give her the benefit of the doubt. I understand the price of manufactured goods has declined by 15 per cent, so we find the farmers of Canada at the present time in the condition that, while the price of what they have to buy has decreased all round less than fifteen per cent—

Mr. SPENCE: Make it 25 per cent.

Mr. ELLIOTT: My hon. friend is now thinking of interest rates.

While the price of what the farmers have to buy has decreased less than fifteen per cent, the price of what they have to sell has decreased by more than one-half.

I should like to refer as rapidly as I can to two or three matters, although they have already been mentioned in the brilliant address delivered by the hon. member for Shelburne-Yarmouth (Mr. Ralston). First of all, let me point out that the budget shows that the trade of Canada this last year is just a little over $26,000,000, less than one-half of what it was two years ago when our hon. friends said that conditions were very bad. May I also call attention to the fact that the funded debt in the last two years has increased by about $307,000,000. The decrease brought about in the funded debt by the government led by my right hon. leader (Mr. Mackenzie King) during the last five years that government was in office, amounted to $257,000,000, and unfortunately we hear now from the Minister of Finance (Mr. Rhodes) that they have eaten up in two years the amount by which the former government reduced the debt in five years, and about $50,000,000 besides. Apparently under some governments deficits are such a common occurrence and amount to such enormous proportions that it is pretty difficult to realize how great they are. May I draw attention to the fact that the increase in the funded debt of Canada during the past two years is within about $30,000,000 of the total debt before the war? Before the war the total debt amounted to $336,000,000, so that the increase that has taken place in the past couple of years would almost equal the total debt prior to the war.

I regret to say that the budget delivered by my hon. friend is, I believe, the most terrible one that has ever been given to the house, not excluding the budgets that were delivered during the war years, because it was realized then that a war was in progress. During that period the deficits some years were very large, but the large deficits came practically after the war was over, while we were in the reconstruction period. The deficit, however, in the present budget is the largest shown in any budget that has ever been delivered in the house with the exception of the war years or the years immediately succeeding the war. Those are some of the things to which I think the attention of the public should be directed at this time.

What perhaps is the best test of the condition of the country is the bank debits. The figures are as follows:

Year	Bank debits
1929..	$46,670,000,000
1931..	31,586,000,000

It can thus be seen what a tremendous decrease has taken place. To-day the farmer is selling his grain, cattle and dairy produce, about which the hon. member for Souris was so eloquent during the last election, for from 21 to 30 per cent less than he did two years ago, but as the hon. member for Shelburne-Yarmouth pointed out, when the farmer goes to buy boots and shoes for his children, he pays only 4·6 per cent less for them now than he did two years ago.

Another interesting point about the present budget is this—and I am not blaming the

present Minister of Finance for all of it, because he had charge of the department, not for the whole year but for only a very small part of it. The sales tax, which is a most important one, last year realized much less than one-half of the estimate. That is not good financing and is not creditable to the manner in which the country has lived up to the expectation of the right hon. gentleman who introduced the budget a year ago.

Perhaps of all the bad features of the present budget, the worst is what is called an increase of two per cent in the excise tax. That is a tariff; there is no question about that. I do not know what is the idea of trying to disguise it by calling it an excise tax, which it is not. It is a tax which will bear heavily on all the people of this country, and bear heavily upon them in a way which cannot be estimated. It is one of the heaviest burdens than can be imposed. When a country gets into the condition in which this government finds this country at the present time after it has been in office for a year and eight months, it should be heroic enough to take steps that will compel those who have the ability to pay, to pay sufficient to get the country out of its financial difficulties. Wealth does not come to the people of any country entirely through their own unaided efforts. The man who has made a great fortune in Canada or any other country has made it partly of course by his own endeavours, but very largely by reason of the opportunities that have been afforded to him by the country in which he lives. At a time of crisis like this, is it too much to ask of the men with whom this country has dealt so kindly that they shall contribute not a small portion such as the government proposes in this budget, but a very substantial proportion of their wealth to help the country out of its present condition and if possible get it back on the road to prosperity. These men will again have the same opportunities they had in the past to make money, which they cannot do as conditions now are.

I would ask the Minister of Finance why it is that in the budget, with the admission as to how bad conditions are in this country, there is no suggestion of any remedy. The only suggested remedy is to make the masses of the people pay more taxes. Mr. Speaker, the common people are not in a position to pay more taxes. I happen to know them pretty well, particularly those in the section in which I live, and during the last six months more of the best farmers that live in this dominion have come to me and told me that they did not know how in the world they were going to get the money to pay their taxes, than in all the rest of the time I have known them. Many who five or six years ago were among the best, most prosperous and enterprising farmers in that community are to-day on the verge of bankruptcy, because the man who was enterprising and courageous four or five years ago perhaps bought another farm for his boy or built a barn or got himself into debt. There is one thing which has not come down in price in this country, Mr. Speaker, and that is the rate of interest which people have to pay on the money they borrowed some years ago or have to borrow to-day. I know something about the way interest works, and I know that it accumulates to-day just as it did when times were prosperous. A great many of the people in this country who borrowed money four or five years ago are to-day unable to pay even the interest. I am fairly intimate with a certain party who has sold several farms and know how conditions are with him; in fact many of our farmers to-day are not only unable to pay off any principal, but are also unable to meet the interest, and many of them are not able to pay even taxes on their farms.

This government came into office less than two years ago—it seems a lot longer than that to the people of this country, but it was only a year and eight months ago—on the greatest group of promises ever made by any party in an election campaign in any country since elections were first started, promises which I think were never exceeded for their absolute lack of limit. The Conservative party in its election campaign proposed certain definite remedies which were going to cure conditions not within a year or two, but almost immediately—in a few days, a few weeks or a few months. It was explained very clearly from every platform from which the Prime Minister and those who were with him spoke in that election that in a country situated as Canada was, different from almost any other country in the world, there was no reason why the people should not be prosperous if the government was doing its duty. This government has been in office nearly two years now, and it seems that the longer they are in power, the worse conditions get. What would the people of Canada not give to go back to the conditions that obtained only two years ago, when our friends opposite were going around the country telling the farmers and the manufacturers and the people in every walk of life how badly off they were.

Why have conditions become so much worse since the present government came into power?

There is no question that world conditions have exercised a certain influence, just as they were exercising a certain influence upon the affairs of Canada during the last election when our friends would not admit that world conditions had anything to do with our economic affairs.

I want to call attention to what I think may assist the government, if they will be assisted, in getting this country out of the position in which we are now placed. We have been building up in this country for a great many years now a fiscal policy. That policy has been built up by great men, the leaders of finance and commerce in this country, and in order that my hon. friends opposite may know just how far they have departed from the policies which they claim to be following, may I call attention to a resolution which was introduced into this house on the eighteenth of January, 1911, by Hon. Arthur Meighen, now the government leader in the upper house? His resolution reads:

> That in the opinion of this house, a substantial reduction in the import duties on agricultural implements is now due the agriculturists of Canada, and is in just accord with the true ends of a protective tariff.

That was in 1911. He followed that up by saying:

> I hope to bring home to the government this afternoon that in their attempts to continue the National Policy which had obtained for years before, they have overlooked, they have neglected one essential feature of that policy, they have quite forgotten its guiding principle, namely, the principle that as our industrial institutions advanced in strength and as they were able with every advance to acquire a hold on the home market, the import duties were to be diminished and adjusted in order to meet the evolving and changing conditions.

Then Mr. Meighen quoted the words of the father of the national policy, Sir John A. Macdonald, who in 1878 used the following words:

> If we had a protective system in this country, if we had a developed capital, we could, by giving our manufacturers a reasonable hold on our home trade, attain a higher position among the nations. I do not mean that we should adopt a tariff like that of the United States, but one such as the necessities of Canada demand.

Then he quotes further from the words of Sir John A. Macdonald:

> It can well be understood that a judicious tariff may, on the whole, be a moderate tariff.

Then the present leader of the upper house went on to say:

> So that the basic principle was laid down in so far as the feature I am now emphasizing goes, was that the object of that tariff was to give the manufacturing industries of Canada a reasonable hold on the home market. The same principle was supported by Sir Leonard Tilley at page 429 of Hansard, 1879.

And he also mentions that it was supported by Mr. Foster who in the year 1894 used these words:

> If there is to be a protective system at all, everybody knows that it must be higher in its inception than as the years gradually pass, when industries have become established and when the industrial development of the country grows apace.

And then Mr. Meighen goes on to quote the words of the Hon. John Haggart and others.

I am about to quote from the speech from the throne which was presented on February 15, 1921, at a time when the present leader of the Senate was Prime Minister. The following words were used:

> It is the opinion of my advisers that in such revision regard must be had to the necessities of revenue and as well that the principle of protection to Canadian labour and legitimate Canadian industries, including agriculture, which has prevailed for more than forty years in this country, must be consistently maintained; but that the customs duties imposed to that end should be no higher than is essential to ensure good standards of living among our working population and to retain and make possible the normal expansion of the industries in which they find employment.

One would have thought, looking over the increase in the public debt of this country and seeing that in 1920 it had increased by about $674,000,000, that if financial conditions were going to be cured by increased tariffs this country needed such advantages at that time as badly as it does now. The point I wish to make is that in the changes in tariff which took place in 1930 and again last year the leader of this government, and the hon. members who followed him, departed entirely from the principles of the national policy as enunciated by Conservative leaders of the past. The national policy was one of protection for industries until they got on a sound footing and were able to compete with outside industries of a similar nature. The provisions of the present Canadian tariff practically prohibit from entering Canada goods which can be produced in Canada. The condition is so serious that I think the house should have from the government some statement as to how long they propose continuing with the experiment of prohibitive tariffs, and how long they are going to allow this country to go back financially by leaps and bounds as they have been doing since they came into power. The country cannot stand such a policy for many years. The high tariff legislation has been in force for a year and eight months,

and judging from the speech of the Minister of Finance I would say that there is not much hope of a change, because in this budget he is levying duties which were not thought of a year ago. That is a position which is very serious, so far as Canadians are concerned. It will be quite impossible for some industries to carry on unless a change is made.

One hears a good deal about the Imperial economic conference; I hope that it will produce some good results. It was interesting to note that the Minister of Finance said he did not think it advisable to make any substantial changes in the tariff in view of the impending conference. I should like to ask him this question: What is the difference in that respect between this conference and the last one? We know that just before the last conference nearly all the items in the Canadian tariff schedules were jacked up. I am glad to see the Prime Minister in his seat, because I think he more than anybody else is responsible for the increases in tariff which have taken place. I believe he had some voice in the proceedings which took place when the present budget was being formulated. Why is it necessary to put into the budget speech the statement that in view of the pending conference it is not thought advisable to make any substantial tariff changes?

I wish to say only a few words more with regard to tariff changes which have taken place, and in that connection I should like to read from the Eastern Chronicle of October 20, 1931. That newspaper quotes the Ottawa Journal, which I am sure should appeal to my right hon. friend the Prime Minister and the Minister of Finance. It is as follows:

> From the statements of Hon. Mr. Cahan it is clear therefore that what the Dominion government has done is to place tariff on large classes of British goods of from 40 to 50 per cent, according to fluctuations in the value of the pound sterling.

The editorial is quite lengthy, and time will not permit me to read it all I should like to submit the following for the particular benefit of the Minister of Finance and the Prime Minister:

> That any manufacturer established under our tariff should as part of his business prepare himself to face changes in world trade and finance without rushing to Ottawa for more tariff when new circumstances do not suit him.
>
> That a tariff on importation of 40 to 50 per cent is too high a tariff under almost any circumstances, and is particularly objectionable upon British goods.
>
> Under present world conditions and particularly under the specific conditions which Canada has to face commercially and industrially, it seems to the Journal that the principle and practice of tariff protection is necessary for this country. But it should be reasonable protection. There may be wisdom in giving a good tariff advantage to our manufacturers and other producers. But there cannot be wisdom in setting up a tariff advantage for anybody so great that it can be relied on to furnish a profit at the expense of our own people for manufacturing or production for which this country has no natural advantage, or for business which does not enjoy good management. . . . a man's pocket has a fierce influence on his logic. As for the Journal, our creed is that an industry in Canada which cannot get along with a moderate tariff advantage should not be in this country at all.

I submit one of the great reasons for the condition in this country to-day is the tariff system which has been introduced, a system contrary to the policies of my right hon. friend's predecessors, contrary to the policy followed since the national policy was first introduced.

With regard to the imperial conference I have this particularly to say to my right hon. friend the Prime Minister and to the Minister of Finance. I read from the former's speech on the budget of 1930, page 1825 of Hansard:

> If a dollar goes to the West Indies that should go to a Canadian, it is no better than if the money went to the United States.

That statement was made in the campaign when the British preference introduced by Mr. Dunning was an issue.

I was interested also in reading some remarks by Sir Josiah Stamp. He needs no introduction to the people of this country and particularly to the Prime Minister. It was a distinct privilege for many members of this house and the Senate to hear him in an address he delivered in this building a short time ago. I quote this extract from that address as reported in the Montreal Gazette of April 8, 1932:

> "Two thoughts I would leave with you about the Imperial conference," said Josiah Stamp in his concluding remarks. "As an economist I would ask politicians to listen to me. If you have a solution of a thing, or a scheme, or the result of a bargain which is a fine thing for yourself but not so good for the other man, if that is the way it works out, my experience is that no such bargain ever pans out that way. It cannot be lasting. Such bargains have a terrible nemesis within them.
>
> "I dread to think that the wonderful sentiment of empire should ever be tested by material results. Never by arithmetic should we say a thing is good or bad for the empire. Never must the empire rest upon a mere economic connection that is purely mercenary or materialistic. We require, in arranging for empire trade and relations, not only a wise judgment but a long judgment. Do not let us go into this Imperial conference with any short-sighted penny-wise-and-pound-foolish idea. I believe the British empire is and can be the greatest economic and moral force in the world to-day. We are engaged in rebuilding the

world, in rebuilding society, after a military and financial disintegration. In that great task the British empire must lead the way, to the end that 'out of its ashes strong as the morning springeth the new'."

I should like to place alongside those words the passage with which Mr. Dunning concluded his budget speech in 1930 so that hon. members may see how closely the two statements correspond. That, I submit, is the sentiment that should govern in approaching the economic conference. I cannot think that it was good business at a time like this to impose what is called an excise tax, which is really a tax against all goods coming from Great Britain. That was not the kind of friendly gesture that I think makes for success in such a conference. I do hope, Mr. Speaker, that the economic conference will be productive of much good, I do hope, if it does nothing else, that the multitude of wise men who will then be gathered together will be able to point out to the members of this government the economic folly of a tariff that means prohibition of imports and not merely protection for the industries of this country.

Mr. H. A. MULLINS (Marquette): Mr. Speaker, I have been sitting in this house for some time listening to hon. gentlemen opposite, and I have yet to find one constructive suggestion coming from them; every word has been a word of criticism. I have been listening to the old story of the tariff. How they have been bolstering it up for political purposes so they may have political propaganda when they go to the country later on! I have lived under every Prime Minister from Sir John A. Macdonald down to the present right hon. gentleman who occupies the position, and I never knew one of them who ever took office under the same conditions as confronted the present Prime Minister. You left on our doorstep a lot of problems that were very hard to handle. We on this side of the house have done everything possible to help out the situation. I remember quite well how the right hon. leader of the opposition went up and down the country asking for more support, to be given a larger representation in this house in order that he might have an adequate majority independent of the Progressives. But a majority was given to this side of the house. We have a working majority and when measures come up we can put them through.

I have heard a great deal of the old story called the tariff from the apostles of free trade. But I wonder where they come in. The tariff under hon. gentlemen opposite was reduced. I admit it. But they raised the valuation for duty purposes. Let me illustrate. On a hundred dollar binder you reduced the tariff to six per cent, but you raised the valuation for duty purposes to $114. That misled the people all through the western country; they were not actually paying only a six per cent duty on their binder, as they were led to believe. Every prime minister has had to have a tariff. And the tariff is a good thing for this country; it has prospered under a tariff. What did Abraham Lincoln say? Listen to this:

> I do not know much about tariff, but I do know this much—when we buy goods from a foreign country, we get the goods and the foreigner gets the money; but when we buy goods made at home, we get both the goods and the money.

Mr. BROWN: Can you prove that Lincoln ever said that?

Mr. MACKENZIE (Vancouver): No, it is attributed to Robert Ingersoll.

Mr. MULLINS: It is written in history as I have given it. But I can prove what this gentleman said because I heard him; I refer to President Hoover:

> The most urgent economic problem in our day is agriculture. An adequate tariff is the foundation of farm relief. The domestic market must be protected. I would use my office to give farmers the full benefit of our historic tariff policy.

That speech was made at Palo Alto in California on August 11, 1928.

An hon. MEMBER: He has changed his mind since.

Mr. MULLINS: I happened to be down there at the time, I was not then a member of this house. Then what about the right hon. leader of the opposition? Speaking at Kingston, Ontario, he said:

> We realize that our industries here have to have safeguards with respect to competition from other parts of the world, competition from the country to the south of us, competition from conditions as they are in England, and we think that is all the more reason why these days of depreciated currency and the like we should have the benefit of expert advice and information on all these great questions on the tariff.

That was the statement made by the leader of the opposition when touring this country. I have another statement, one made by the Hon. Charles Dunning. Mr. Dunning said, "I am no free trader". I heard him at the town of Yorkton say he was advocating free trade. He was a free trader there, but in the following article he says that he is no free trader. Let me quote:

> "I am no free trader. If Saskatchewan were all of Canada then free trade might be good, but it is not all of Canada, neither is Ontario.

It is because of the difficulty of getting a national tariff policy and making it a practical, not a political matter."—These observations of Mr. Dunning embrace a whole flock of surprises.

It is surprising to learn for the first time and from his own lips that he is no free trader. It is equally surprising to have his admission that Saskatchewan is not all of Canada. It is positively startling to be informed from such a source that the tariff should not be regarded as a political matter. Mr. Dunning is assuredly stepping out. Can it be that he has fallen in with bad company in the wicked east?

That appeared in the Winnipeg Tribune.

Now, before I resume my seat I am going to ask for more protection, and this will seem a rather strange flower to come from the prairies. But I am going to put myself on record as asking, in aid of agriculture, more protection than we have. I want one of the principal products of the farm to have some protection. I want the live stock industry to be protected. For instance, we are bringing in 50,000 cattle and shipping out about 25,000 or 30,000. You will ask me in what way I want protection for the live stock of this country. I have heard it said by hon. members on the other side that prices are going down gradually. I admit it; they have gone down. But I say to them, you have gone down in quality; you have no export cattle at all. What is driving down prices is this. We are bringing in 10,000,000 pounds of canned meats from the Argentine, and how are we bringing in those canned meats? In this way. We are bringing in the front quarters. When they slaughter their cattle in the Argentine they take the hind quarters and cut them what they call long—I am talking on a subject I know something about, because I had money invested in that country in a packing concern —and they ship the hind quarters to England and then can the front quarters, and that meat comes in to Canada in great quantities in competition with our live stock, thus driving prices down. I may be asked how I arrive at the estimate I have given of 50,000 cattle. Perhaps some hon. members may know something about this business; I believe the hon. member for South Huron (Mr. McMillan) has some knowledge along this line. Well, take a 1,000 pound steer and dress it, and you will find that the average steer will dress 500 pounds of beef. Take the bones from that meat so as to get the meat ready for canning and you have 200 pounds of beef ready to put into cans. If, therefore, you bring into the country 10,000,000 pounds of canned meats you are bringing in the equivalent of 50,000 cattle. Now, I want the government, by order in council, under the authority we have given them in this house, to adopt some sort of protective tariff to stop that meat coming into Canada. I also want them to do the same thing in regard to the bringing in of pickled pork. A large quantity of that product is brought in and some of it comes in free. A good deal has been said about the price of hogs being lowered. Yes; the price of hogs is being lowered by the importation of vegetable oil that is brought in from the south, providing work for coloured labour in the southern country, and it is brought here and manufactured into a shortening called Crisco. We import something like 89,760,400 pounds of this article which takes the place of lard. Lard is a five per cent better shortening than this product, which is a deodorized oil, the odor being taken out by the Wesson process. It is not as healthy a food as lard derived from well fed Canadian hogs—and we have the best hogs in Canada, fed under our conditions. Any man who has ever been in Illinois or Iowa will know how they feed their hogs there, but the hogs in Canada produce a better lard than this imported shortening. I would ask the government to impose a good, stiff, heavy duty in order to shut that product out of this country. I submit that this should be done in the interests of farming in Canada. I find also that there is a good deal of barrel pork coming into this country. Why should we import barrel pork in competition with our farmers who are producing hogs? The Atlantic and Pacific stores in Toronto brought in two carloads of hams from Chicago and knocked the price of bacon down very low. The result was that the hog market in Toronto was affected that day when these hams were imported.

[Mr. Mullins.]

Seeing that it is eleven o'clock, Mr. Speaker, I move the adjournment of the debate.

Motion agreed to and debate adjourned.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Friday, April 15, 1932

The house met at three o'clock.

STANDING ORDERS COMMITTEE

Mr. A. U. G. BURY (East Edmonton) presented the second report of the select standing committee on standing orders.

Mr. Bury moved that the report be concurred in.

Motion agreed to.

BEAUPRE PULP MILLS

Mr. PIERRE F. CASGRAIN (Charlevoix-Saguenay) (Translation): Mr. Speaker, I have the honour to lay on the table of the house a petition from the electors of the parish of Beaupré, in the county of Montmorency, praying for government assistance to reopen the pulp mills at Beaupré.

NARCOTIC DRUGS

INTERNATIONAL CONVENTION LIMITING MANUFACTURE AND REGULATING DISTRIBUTION

Right Hon. R. B. BENNETT (Prime Minister) moved:

That a message be sent to the Senate informing their honours that this house has adopted a resolution approving of the international convention for limiting the manufacture and regulating the distribution of narcotic drugs, Geneva, July 13, 1931, signed on behalf of Canada by the plenipotentiaries named therein, and request that their honours will unite with this house in the approval of the abovementioned convention; and that the clerk do carry the said message to the Senate.

Motion agreed to.

UNEMPLOYMENT AND FARM RELIEF

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, I desire to lay upon the table orders in council numbers 847, 848 and 849 passed under the authority of the Unemployment and Farm Relief Continuance Act, 1932.

CANADIAN NATIONAL RAILWAYS

EXTENSION OF TIME FOR CONSTRUCTION OR COMPLETION OF BRANCH LINES

Hon. R. J. MANION (Minister of Railways and Canals) moved that the house go into committee at the next sitting to consider the following proposed resolution:

That it is expedient to provide for an extension of time from 31st August, 1932, to the 31st August, 1934, for the construction or completion of certain branch lines of railway of the Canadian National Railway Company, authorized by chapter 19, 20, 21, 25, 28, 29, 30, 32, 33, 34, 35 and 36 of the statutes of 1929.

He said: His Excellency the Governor General, having been made acquainted with the subject matter of this resolution, recommends it to the favourable consideration of the house.

Motion agreed to.

EXPORT OF GOLD

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, this notice of motion appears inadvertently upon the order paper; the bill which it is proposed to introduce does not require notice and this matter should have appeared under the heading of "Introduction of Bills." Therefore, I move that this order be discharged, following which I shall ask leave of the house for permission to introduce a bill.

Motion agreed to.

Mr. RHODES: As in the ordinary course the notice would have appeared under the heading of "Introduction of Bills," I ask permission of the house to introduce the bill at this stage. I move for leave to introduce Bill No. 45, respecting the export of gold.

Mr. MACKENZIE KING: Explain.

Mr. RHODES: This is to provide in the form of an individual statute for making possible the practice which obtained in recent months, and with which hon. members are familiar, and also that pertaining to the export of gold during the war period.

Motion agreed to and bill read the first time.

THE PUBLIC SERVICE

TEN PER CENT DEDUCTION FROM INDEMNITIES AND SALARIES

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): May I ask the government whether any order in council has been passed authorizing a deduction of ten per cent of the salaries of civil servants from this month's cheques, which, I understand, were issued this morning?

Hon. E. N. RHODES (Minister of Finance): The order in council has not been formally passed, but instructions were given that the deduction be made in preparing the cheques. It was thought, although there was not legislative authority for this course of action, far less hardship would be worked than would be the case if the cheques were issued for the full sum and a double deduction had to be made at a later period. A further circumstance to be borne in mind is that the estimates were prepared in anticipation of this salary deduction.

Mr. MACKENZIE KING: If I understand the Minister of Finance aright, there is no legislative authority for the action taken?

Mr. RHODES: No.

Mr. MACKENZIE KING: What then is the necessity of Bill No. 19 which is at present on the order paper? If the government

can act without legislative authority in deducting ten per cent of the salaries of civil servants, why go through the pretence of passing an act?

Mr. RHODES: I may say that the course pursued is not without precedent. I have reference particularly to a case as far back as 1897, when the government of the day at that time withheld statutory increases without legislative authority and, I think, without sanction by order in council. But I must point out to my hon. friend that although I know technically parliament has not as yet passed the bill dealing with the deduction, there is the circumstance an interim supply bill was passed providing for only the amount less ten per cent.

Mr. MACKENZIE KING: The Interim Supply Bill was one for two months so that so far as it is concerned, there was no necessity for making the deduction. I appreciate the inconvenience that has been mentioned by my hon. friend and that might be occasioned by complying with the law, but the law is there and should be complied with. The position that we are in at the moment is that the government has assumed to act in the matter without any power from parliament. Bill No. 19, to provide for the deduction in compensation in the public service has received its second reading, but it is still in committee; it has not yet passed the Commons; it has not gone to the Senate and it has not received royal assent. My hon. friend knows that until a bill has passed both the Commons and the Senate and has received royal assent, it is not law and no action can be taken under it. This action has been taken without any legislative authority and it is simply substituting the directions of the ministry for the authority of parliament.

Mr. RHODES: I must respectfully beg to differ from my right hon. friend. The governing factor is the voting of the money. Even if Bill No. 19 were passed, not a dollar could be paid to the servants of the crown unless and until the supply bill was passed, so that in the last analysis we must lean upon the Interim Supply Bill which takes distinct recognition of the fact we are proposing that salaries this year shall have a deduction of ten per cent.

Mr. MACKENZIE KING: The governing factor is the authority of parliament and it has voted for the public service money amply sufficient for a complete payment of the civil service this month.

Mr. GUTHRIE: No.

Mr. MACKENZIE KING: The Interim Supply Bill was for two months.

Mr. GUTHRIE: Of the estimates as printed.

Mr. MACKENZIE KING: The fact that parliament voted an interim supply bill in order to oblige the government is no reason why the latter should ignore parliament in the matter of following the procedure which is essential in all these affairs. I do not wish unduly to labour the point, but certainly one of the obligations devolving upon the leader of an opposition is to see that the rights of parliament in the matter of legislation are respected, and I cannot agree with my hon. friend as to there being any precedent which he could cite as authority for saying that the action which has been taken is legal. It is, I think, both arbitrary and illegal, and I repeat it is another instance of where the authority of parliament is superseded, not even by the sanction of the ministry as expressed in an order in council, but apparently by the will of the ministry as expressed in a mere verbal order.

Mr. RHODES: I do not know that any advantage will arise by an attempt on the part of my right hon. friend and myself to have the last word. Of course when the Interim Supply Bill was passed, my right hon. friend, as was quite right and proper, made the reservations usual in such cases. It was made very clear, and the record will show, that his having assented to the Interim Supply Bill does not commit him to the principle and leaves it open to him to discuss the estimates in full in precisely the same manner as if the Interim Supply Bill had never been passed. But I submit that the governing factor is the voting of the money and as I have said, the Interim Supply Bill gave specific recognition to the fact that the amount available covering the period of a year was to be made available to the extent of the ordinary sum for salaries, less the deduction of ten per cent. Under those circumstances I submit that not only is the course we took proper and in conformity with the law, but it is the one that in the long run will cause least inconvenience to members of the public service.

Mr. MACKENZIE KING: This also is not by way of having the last word, but I assume the same course will be followed with respect to indemnities of members of parliament, including members of the House of Commons and members of the Senate?

Mr. RHODES: Yes.

Mr. MACKENZIE KING: I submit this is not treating members of the House of Commons as they should be treated in this matter until a bill is finally passed, but we may waive that point. So far as members of the Senate are concerned, they at least might have had an opportunity to be heard as to their wishes and will in the matter of their indemnities before action was taken by the government.

Mr. RHODES: I feel it incumbent upon me to say one word in connection with the last remark of my right hon. friend. Members of the House of Commons, in voting for the second reading of the bill, have consented to the reduction in the case of their own salaries. Furthermore I may point out that members of parliament are not paid monthly; they receive an indemnity for the session. It is true they are able month by month to draw a certain amount based upon a per diem allowance, but the fact is that the deduction will be taken care of when hon. gentlemen come to the point where there is remaining at the end of the session a margin of only $400.

Mr. STEWART (Edmonton): The final payment.

Mr. POWER: Will the deduction be made to apply to the militia?

Mr. RHODES: I am speaking without reference to the documents, but I would assume not.

Mr. MACKENZIE KING: May I ask my hon. friend if the deduction has been made in the salaries of the lieutenant-governors and judges? I understand that that matter is under consideration. If the deduction has not been made, how will it be possible to make it later seeing that the interim supply bill has been assented to?

Mr. RHODES: I was not aware, Mr. Speaker, that this question would arise to-day, and I am therefore unable to answer my right hon. friend, but I will do so to-morrow.

RETURNED SOLDIER LEGISLATION

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): May I ask the Minister of Pensions and National Health if after further consideration he is now in a position to inform the house and the country whether the government will bring down this session any new or amending legislation concerning returned men?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): I expect to be able to give my hon. friend an answer early next week.

COAL—FREIGHT SUBVENTION

On the orders of the day:

Hon. J. L. RALSTON (Shelburne-Yarmouth): I want to call the attention of the Minister of Mines to the fact that the all-rail coal subvention under order in council expires, I think, to-day. I would ask the minister if he is in a position to announce what action the government will take in this matter of coal subventions. If not, will the government continue the coal subvention pending a decision as to any further action which the government proposes?

Hon. W. A. GORDON (Acting Minister of Mines): The whole question of subventions in connection with the coal industry is under consideration at the present time. I do not need to assure the hon. member for Shelburne-Yarmouth that the problem presents great difficulty. The intentions of the government will in due course be made manifest when action is taken.

SUPPLY

DEPARTMENT OF TRADE AND COMMERCE

The house in committee of supply, Mr. Hanson (York-Sunbury) in the chair.

The Canada Grain Act, including management, operation, maintenance and equipment of elevators, administration of, $2,400,000.

Mr. POULIOT: May I ask the minister what proportion of our total export of wheat goes to Great Britain as compared with the rest of the world?

Hon. H. H. STEVENS (Minister of Trade and Commerce): I can give those figures in a moment.

Mr. POULIOT: I shall be glad to get them.

Mr. STEVENS: I will supply that information to my hon. friend.

Mr. DUFF: The other evening when we were discussing this item I asked the minister if he would tell the committee what was the policy of the government with reference to the shipment of grain through the port of Halifax. Another question I asked was, what quantity of grain had been shipped from the port of Halifax and the port of St. John in the last three years. This is a very important matter especially for the port of Halifax, in which of course I am more interested than in St. John, and I would like the minister to give the committee some statement in regard to that matter.

Mr. STEVENS: The export of grain through the ports of Halifax and St. John for the last three years has been as follows:

	Halifax Number of bushels shipped	St. John Number of bushels shipped
1929-30. . .	16,639	4,357,788
1930-31. . .	....	11,079,325
1931-32. . .	838,371	3,061,323

I have not the figures under my hand of shipments through the ports of Montreal and Quebec. The question of the export of grain from the Atlantic ports in the winter concerns only the ports of Halifax and St. John after navigation has closed at Montreal. It must be borne in mind that the grain trade of Canada is carried on by private corporations, and once the grain is bought on the Winnipeg market, which, of course, is the large central market in this country dealing with grain, it passes into the hands of the owner who directs its movement as he considers to his own advantage. The movement of grain from Port Arthur and Fort William at the head of the lakes is to certain points in the east which best suit the purposes of the exporter. Some of the grain is moved to Buffalo, some to Port Colborne and other lake ports, or Montreal, as the case may be, and it is there held to the order of the owner. The owner may direct its export, in the case we will say of grain at Buffalo, either through American or Canadian ports at his own option, over which, of course, we exercise no authority or control. There are certain economic factors which enter in at the ports of Boston, New York and Portland, and at one or two other ports to a lesser degree. There is always a great deal of shipping offered with what is known as distress space, and frequently the owners of grain take advantage of the distress rates and contract for shipment through those ports; or it may be that the destination of the grain in Europe calls for shipment through ports other than Canadian, in the opinion of the owner of the grain. The movement of the grain is thus wholly in the control of the owner of the commodity. As far as the government is concerned, and I think what I say of the present government is true of preceding governments, all facilities possible for the handling of the grain have been provided in Canadian ports and will be provided as required in the future so far as possible. The influence of the government is used, so far as it is consistent with the movement of trade generally, in the direction of trade through Canadian channels. We have considered and will consider any suggestions which may be made which will facilitate the movement of grain in such channels. I would impress upon the committee however that the grain is in the hands of the owners of the commodity who, naturally, direct its movement through such channels as they may consider desirable.

There is one other point to which I wish to draw the attention of hon. members. A great deal might be done to increase the movement of grain through Canadian channels if at the point of export or point of shipment there was a larger body of commercial interests connected with the movement of grain through that port. That is, if there were business concerns operating at these points, as there are at other older and more established points, who were interested in the movement or handling or direction of grain, the results would be more satisfactory. Only recently I drew the attention of business concerns in eastern Canada to the desirability of securing an increased interest on the part of Canadian business men concerning the movement of the Canadian crop, which forms such an important part of our export business.

Mr. DUFF: Mr. Chairman, I am sure the committee has listened with great interest to the remarks of the Minister of Trade and Commerce. Had I shut my eyes I should have thought I was back in the session of 1930; the then Minister of Trade and Commerce of that day was asked certain questions when complaints were made regarding this very question. I am sure the minister's many friends must have been delighted to hear him make the speech he has just made. I do not know however how some of my Conservative colleagues from the province of Nova Scotia took it, because they will remember that during the sessions of 1926, 1927, 1928, 1929 and 1930 the Minister of Trade and Commerce and the former government were bombarded —and properly so; I am not objecting at all— were properly bombarded by members representing constituencies in Nova Scotia who complained very bitterly that the government of my right hon. friend, the present leader of the opposition, had failed to see that grain went through the port of Halifax. In fact Conservative newspapers in the province of Nova Scotia referred to the elevator, which the late government had been instrumental in building, as a pigeon roost. The statement was made that very little if any grain was passing through the port, and of course the government of that day was blamed.

I noticed however the statement which the minister read with regard to the quantity of grain passing through the port of Halifax in the last two years, or since the present government took office. It would seem that since my friends from Nova Scotia have taken seats

on the government benches conditions are worse than they were when the late government was in power. I need not go into this matter, but I may say that the minister's explanation, that to a great extent the matter is in the hands of the shipper, is quite right. I have always contended that, and there is no question about it. The fact is however that gentlemen who now are members of the government, or members supporting the government, told us two or three years ago that that was not correct, and that if they were put into power, if they were placed on the seats of the mighty, they would see that this condition was changed and that grain would flow through the ports of Halifax and St. John. There was no question about it. Not only in the newspapers but on the public platforms hon. gentlemen now sitting opposite made the distinct statement that the then Liberal government should be turned out of power and that the Conservative party should be given a chance to see that grain flowed more freely through the ports of Halifax and St. John. We were told of course that the Transcontinental railway was built for this special purpose, and the name of my late respected chieftain, Sir Wilfrid Laurier, was brought into the discussion to show that when he and his government decided to build the Transcontinental railway the decision was made to fulfil the special purpose to which I am now referring. My hon. friends urged that the government led by the present leader of the opposition was not doing its duty by the people who had grain to ship, or to those people in the cities of St. John and Halifax, when they did not see that greater quantities of grain went through the ports of those two cities.

Now, Mr. Chairman, birds will come home to roost, even if they are pigeons sitting on the elevator at Halifax. I can understand why the Minister of Trade and Commerce hangs his head because, after sitting in this house from the years 1926 to 1930 and listening to his colleagues complain to the then government of what a terrible thing it was that these people of the maritime provinces were not receiving their maritime rights, he may well hang his head. We heard a great deal about one hundred per cent maritime rights. If the late government did not give one hundred per cent maritime rights, what has the present government done with regard to the shipment of grain through the ports of Halifax and St. John? The figures given by the minister only a few moments ago supply the answer, and in that connection I need not say very much more.

My right hon. friend the Prime Minister must have thought the matter important when he made his speeches during the election campaign of 1930. Of course, perhaps he was not reported correctly. Sometimes we find, when we read extracts from speeches supposed to have been made by the right hon. gentleman, that they were not correct, because perchance, a mistake had been made by some cub reporter. I have before me however what the Prime Minister is reported to have said in the Forum at Halifax on July 3, 1930, just a few days before the election. At that time the people at Halifax were urged to turn the government out of office because of their treatment of the people of Nova Scotia with regard to the shipment of grain, and for other reasons. But they were told something further. At that meeting the Prime Minister made a distinct promise to the people of Nova Scotia and the maritime provinces. What was he reported as saying? I quote as follows:

> Speaking at the Forum at Halifax on July 3, 1930, Mr. Bennett said it was his "determination to force Canadian traffic over Canadian territory and through Canadian ports and to make this country commercially independent of the United States."

He was going to blast his way. I do not know whether he intended to blast the mountains through which the railway passed when coming from Winnipeg, but certainly he was going to do another blasting act so that grain might go through Canadian ports.

What has my right hon. friend done since he made that speech on July 3, 1930? Has he done anything for the ports of Halifax and St. John? I will come to that in a minute. Quoting again:

> He said the development and equipment of the port of Halifax as a great national port was "essential to meet the competition from the United States ports of the Atlantic seaboard and to give maritime ports every advantage in low rates to attract traffic both inward and outward."

What has my right hon. friend or his colleague the Minister of Trade and Commerce done to obtain lower rates on grain through the ports of Halifax and St. John? During the last two years, what have they done? The minister gave us the answer only a few minutes ago; he told us of the infinitesimal quantity of grain which had passed through either the port of St. John or Halifax since hon. members opposite came into power. Quoting further:

> He further declared that "his consideration was the welfare of Canada and Canadian ports —United States ports were not his concern; the people of that country were quite capable of looking after their own interest."

Yet, in spite of that statement—and no doubt that statement was made to get votes in the city of Halifax for my two hon. friends who represent that city—

An hon. MEMBER: And who are not in the committee.

Mr. DUFF: It does not matter. The fact remains that the Prime Minister made that statement, I will not say deliberately, Mr. Chairman, because you might call me to order; but the Prime Minister, according to the newspapers, is reported to have said that if he and his government were elected he would see that grain would flow more freely through the port of Halifax, and, of course, through St. John. But since that date this government has done nothing. The minister himself admitted a moment ago that, unlike his leader, he was not concerned about freight going through the American ports; he said it was impossible to keep it from going through American channels. And he is quite right. But the Prime Minister did not give the electors of Halifax that understanding. He virtually said to them, "Elect me and my government and we will see to it that the elevators in Halifax and St. John will be full of wheat all the time; we will see that wheat will be flowing through these ports to foreign markets." Let us see whether they did anything else with regard to this great question.

In 1928 there was a meeting of the maritime board of trade at Moncton and I believe that at that meeting that board of trade, owing to the fact, I have no doubt, that they thought that the then government were not perhaps doing things as quickly as they should, and were not seeing that the maritime ports were being used properly, passed a resolution which reads:

1. That the National Transcontinental railway was constructed for the purpose of creating a route to Halifax and St. John that would provide for, among other matters, the transporting of Canada's exportable surplus of grain through the ports of Halifax and St. John at rates that would not exceed those to other north Atlantic ports.

2. That an all-rail rate of 19·34 cents per 100 pounds as requested in this application is necessary in order that the National Transcontinental railway be used for the purpose for which it was constructed.

3. That the board did, in general order No. 448, dated August 26, 1927, recognize this matter as one of national importance and directed the Canadian National Railways to publish an export rate, on grain, of 18·34 cents per 100 pounds to Quebec city. This order was complied with by the publication of C.N.R. tariff No. C.G. 93, G.R.C. No. E1268.

4. That the same conditions and circumstances surround the extension of the export rate on grain to St. John and Halifax as applied in the decision of the board with respect to the rate to Quebec city.

5. That, in view of the national importance of this matter, we would respectfully urge that it is expedient that this matter be given immediate attention by the board.

I am reading a resolution contained in a speech delivered by the hon. the junior member for Halifax (Mr. Quinn) in the year 1928 when the late government was in power. I am not going to quote from the hon. gentleman's speech or recite his complaints with regard to the little that had been done by the Liberal party. I do want however to back up what the hon. gentleman said on that occasion, because now his own government is in power. He has been supporting that government since 1930, nearly two years, and I have not heard either him or the senior member for Halifax say one word with regard to this very important matter.

Now the Liberal government did try to arrange this matter; they did endeavour to arrange for a differential rate of one cent per bushel. But they found, when they addressed themselves to the railway commission, that the commission indicated they could not do it unless legislation were enacted with respect to the question. The matter was referred to the government, and my right hon. friend the Prime Minister has evidently forgotten the speech he made in the city of Halifax on July 3, 1930, inasmuch as he wanted to refer the matter to the Supreme Court of Canada. Instead of dealing with it as a government he wanted to pass the buck and refer the question to the courts. But now that this matter has again been referred to the government, the final arbiter, it has been or should have been before them for a number of months; and so far as the public and this parliament know, nothing has been done by the government to settle the question one way or the other, to see that a different rate is given whereby more grain can flow from the prairies through the ports of Halifax and St. John.

I say the government has been derelict in its duty in not settling this important question one way or the other, so that the people of Nova Scotia and New Brunswick may know exactly whether or not something is going to be done in their interests. All we have at the moment is the report of Sir Alexander Gibb. I dare say it was all right, and I am not complaining, to bring this eminent gentleman here to look into questions affecting the harbours of Canada; but I do say that Sir Alexander Gibb's report is not satisfactory to five per cent of the people of Canada interested in our different ports from Vancouver to Halifax.

Now what does Sir Alexander Gibb say about the port of Halifax? Surely the government might have given him some lead as they did when another commission sat in this country with respect to other matters. We remember that it was rumoured, when the Duncan commission was sitting, that the commission was given a hint that they were not to touch the tariff. Surely the Minister of Trade and Commerce (Mr. Stevens), if he is interested in his capacity of minister in charge of this department, must have been taken into the confidence of Sir Alexander Gibb or taken him into his confidence. But if he was not taken into that gentleman's confidence it was the duty of the minister to see Sir Alexander before he made his report and give him his own views and ideas regarding this matter. What did Sir Alexander Gibb report so far as Halifax was concerned? He practically says that it is impossible to ship grain through the port of Halifax; it is even impossible, he says, to ship heavy freight through that port—and this notwithstanding the fact that the Conservative government in 1914 spent $35,000,000 on that port, and the fact that during the last seven and eight years, and especially during the time that the Liberal party was in power, other millions were spent developing the port of Halifax. Yet Sir Alexander Gibb now comes along and declares that it is impossible to ship heavy freight through that port. All that the people of Halifax and Nova Scotia can expect from his report is to have a few passengers land at that port from time to time.

I say that the government should come to a decision promptly with regard to this question. Let the people of Halifax and Nova Scotia know what is going to be done. Let the citizens of Canada, who have spent tens of millions of dollars developing the port and getting it ready for the grain trade and other heavy traffic, know whether Sir Alexander Gibb's recommendation will be accepted, or whether the government will find means to send grain through the ports of Halifax and St. John.

Mr. ILSLEY: I wish to say a few words on the subject that has been discussed by my hon. friend (Mr. Duff). I have not the documents before me, but my recollection is that a very important decision of the Board of Railway Commissioners was given on October 28, 1930. An application had been made by the Halifax harbour commission and the transportation committee of the maritime board of trade for a one cent differential, so-called, over the Quebec rate. That means this. There was, prior to 1927, a rate from the head of the lakes ports to the city of Quebec of 34·5 cents per hundred pounds, and a rate to the maritime ports of 35·5 per hundred pounds, one cent higher. Now certain interests in the city of Quebec, or the city, applied to the Board of Railway Commissioners and had the 34·5 rate reduced to a rate of 18·34. Thereupon an application was made by the bodies I have mentioned—that is, the Halifax harbour commission and the transportation committee of the maritime board of trade—for a rate from the head of the lakes ports to maritime ports of 19·34 cents per hundred pounds, preserving the one cent differential. The Board of Railway Commissioners decided against the applicants. I believe their decision was given about October 28, 1930. Some months later a petition was lodged with the governor in council requesting a variation or rescission of the decision of the board, under the section of the act which enables such action to be taken by the governor in council. These proceedings ordinarily are called an appeal to the government from a decision of the board of railway commissioners, but I do not think the word "appeal" is the correct term. I think it gives a wrong impression, because the action taken by the governor in council is not judicial; it is administrative or executive.

However, as I say, this so-called appeal was lodged about the end of May, 1931, if my recollection serves me aright, and the matter then came before the government. I submit that the government should have taken reasonably prompt action, especially in view of the very definite undertakings given by the Prime Minister in Nova Scotia during his pre-election campaign. The government permitted a long time to pass, from June to November of 1931, without taking action. Then in December a very strong letter was written the Prime Minister, signed:

In behalf of the government of Nova Scotia:
Percy C. Black,
Acting Premier.
In behalf of the city of Halifax:
George E. Ritchie,
Mayor.
In behalf of the municipality of Halifax county:
R. A. Brenton,
Warden.
In behalf of the Halifax Board of Trade:
A. N. Jones,
President.
In behalf of the Dartmouth Board of Trade:
E. J. Butcher,
President.
In behalf of the town of Dartmouth:
Walter Mosher,
Mayor.

In behalf of the Halifax Commercial Club:
O. R. Crowell,
President.
In behalf of the Halifax Rotary Club:
W. E. Tibbs,
President.
In behalf of the Halifax Progressive Club:
J. V. Worth,
President.
In behalf of the Halifax Gyro Club:
G. M. Stultz,
President.
In behalf of the Halifax Kiwanis Club:
H. W. Kirkpatrick,
President.

That letter was dated December 10, 1931. It is a little too long to read in full, otherwise I should like to place it on Hansard. It states that this matter is of vital and urgent concern to these communities and to the province of Nova Scotia as a whole. The letter states:

One of the most immediate needs of the port of Halifax, and the channels of transportation of which it is the terminus, is a fair share of the movement of the Canadian grain crop. This need is twofold:

1. To increase the volume of traffic through the port; and

2. To provide the port with an adequate amount of grain for use as ballast cargo.

Then follow a number of very striking facts showing the large proportion of Canadian grain going through United States ports. Then the letter goes on to discuss the Quebec rate, which I have already mentioned. It says:

Prior to 1927, the grain rate over the Transcontinental, per 100 pounds from the head of the lakes, was as follows:

	Cents
To Quebec..	34·5
To maritime ports..	35·5

Quebec applied for and secured a reduction of this rate to 18·34 cents per 100 pounds. And in its general order No. 448 the Board of Railway Commissioners for Canada directed the railway to publish this reduced rate over the Transcontinental to the port of Quebec.

On two occasions the railways attempted to upset this rate, once before the board of railway commissioners, and again before the Supreme Court of Canada. Both attempts were unsuccessful. The application of the C.N.R. for leave to appeal from the judgment of the board was dismissed by that body in July, 1929; and in the Supreme Court of Canada, Mr. Justice Lamont, shortly after that date, also dismissed an application of the C.N.R. for leave to appeal from general order 448.

Meanwhile, an application had been made to the board of railway commissioners for an extension of the "Quebec rate" (plus the usual 1 cent differential) to the ports of Halifax and Saint John. This application, and the facts supporting it, were in every particular similar to the application and the facts pertaining to the Transcontinental railway in its relation to the port of Quebec, but certain members of the railway board, having granted the Quebec application, reversed their position and denied the maritime application. The result is that the rate on grain and grain products over the Transcontinental from the head of the lakes to maritime ports is approximately twice the rate to the port of Quebec.

The bodies making the unsuccessful application—the Halifax Harbour Commission and the Transportation commission of the Maritime Board of Trade—are carrying this case on appeal to your government, in the confident hope of securing a reversal of such an unjust and discriminatory action.

The port of Halifax is equipped immediately to handle twenty millions of bushels of grain during the shipping season. Established at this port is a modern elevator with a storage capacity of 2,200,000 bushels, but this elevator lies idle so far as the Canadian export grain traffic is concerned, and little or no Canadian grain comes over the railway lines into and through this province.

It is unnecessary here to attempt an enumeration of the benefits, direct and indirect, that would be derived by our own people from a substantial share of the grain traffic of the country. At this time, when unemployment is such a serious problem, the provision of more jobs for workers on our railways, in our mines and along our waterfront, to say nothing of the stimulation of other forms of industrial and commercial activity, would justify an unusual effort to hold the trade of Canada in Canadian channels.

The chairman of the Halifax Harbour Commission has stated his belief that the port of Halifax has just about reached the limit of its development unless an adequate share of the Canadian grain traffic can be secured, for, manifestly, it is going to be difficult, if not impossible, to develop any turn-around movement of liner tonnage under existing conditions.

In these circumstances, so vital not to this port and province alone, but to the dominion, as a national matter, we respectfully urge an early hearing of the appeal in the Transcontinental grain rates case, and a favourable decision in the interests of our own transportation channels. We realize the heavy burdens and great complexities involved in public administration in this country to-day, but we are confident that, appreciating the urgency of this matter from the standpoint of our national well-being, you and your government will give it early and effective attention.

Yours respectfully,

Then follow the signatures of the gentlemen I have named. After that letter was written the appeal did come on for hearing before the government, according to newspaper despatches, but so far as I have been able to learn as yet it has not been disposed of.

I submit to the minister that there can be no justification for these almost interminable delays in dealing with a comparatively simple matter. First we had the delay from last spring until January before the appeal came on for hearing at all, and we have had the delay month by month ever since. The question of the principles that should guide the government in dealing with these appeals was

up for discussion in committee of the whole two or three times last year. It has been laid down, and I do not think it can be denied, that the government are not acting as a court and are not setting precedents that can be applied to other cases. They are not bound by the ordinary rate-making principles which bind the Board of Railway Commissioners. The very object of the section is to enable them to put policies into effect, and the policy of the government as announced before the election was to stimulate the flow of grain through Halifax.

The promises made by the Prime Minister have been read by my hon. friend from Antigonish-Guysborough. Why does not the government act in the matter? That is the question I should like to direct to some responsible minister of the crown. If they have decided in their own minds not to give effect to the appeal why do they not courageously say so? Why keep this matter dangling and pending for these long periods? That is the question the people of Halifax and the people of Nova Scotia would like answered. The case for the application of the one cent differential has been placed before the government very strongly by the Halifax harbour commissioners, and by the transportation committee of the maritime board of trade. The people of the province now await some action which will implement the very definite promises and undertakings given by the Prime Minister prior to the elections of 1930.

Mr. STEVENS: Mr. Chairman, the two hon. members who have very forcibly presented this matter no doubt have done so in perfect good faith, and with much of what they have said I am in entire sympathy. There is no question at all that it is highly desirable, as far as it is humanly possible to do so, to encourage the movement of grain and other cargoes through Canadian channels.

The hon. member who has just taken his seat has said that this is a simple matter which could be disposed of by a "yes" or "no", but I am quite sure that he and his colleague from Antigonish-Guysboro would much prefer that the matter should be delayed rather than an adverse decision given immediately. That there has been delay is without question; the facts are there and I have intimated already to the committee some of the factors which enter into this problem. I am not prepared at the moment to discuss fully the broad general question, but I can say that the department has been carrying on an extensive study of this matter. The more I study it, the more I find to support the view that perhaps some extensive steps can be taken to increase the movement of import and export business through our Canadian ports. I think those who have studied this question will agree that it involves matters of high policy, using a term which is often used, and I am not prepared at the moment to state my own opinion. We are carrying on an intensive study which involves a tremendous amount of analysis of the movement of goods coming into and going out of Canada, grain being the principal export commodity.

That the question is a simple one, I cannot agree; it is an exceedingly complicated and difficult matter with which to deal. It does not follow that we should sit idly by and do nothing, and in that respect I agree with my hon. friends and do not quarrel with their impatience in this matter. I have received many communications from Halifax, St. John and other parts of the maritime provinces both from individuals and different bodies, to all of which I have given a measure of answer. However, I can go no further at the moment than to say that as far as the particular appeal to which my hon. friend has referred is concerned, I think it is desirable that at the moment the door should not be slammed. I would advise and counsel further consideration before this question is disposed of. In regard to the larger question which in my opinion involves important matters of policy, the time for solution has not yet arrived and as far as I am concerned, I am not prepared to give a definite opinion. I can assure the committee that this matter is receiving the very best attention which my staff, members of the government, and myself can give.

Mr. RALSTON: Mr. Chairman, I think the committee, particularly those members from the maritime provinces, welcome the statement of the minister that this matter is under consideration, but I, for one, am filled with a great deal of apprehension at the rather ominous suggestion made that perhaps we would prefer to have delay in this matter rather than to have the door slammed at once in our face.

Mr. STEVENS: I was referring to the one point, namely, that an immediate decision should be given in connection with the appeal made by the hon. member.

Mr. RALSTON: That is the point with which I am dealing. After the strong appeals made by the hon. members for Antigonish-Guysborough (Mr. Duff) and Hants-Kings (Mr. Ilsley), I hesitate to press this matter any further, but in the hope that something

I may say may have some influence upon the minister, I desire to say a word or two on the subject.

The minister says that this matter is not simple, but to my mind the only element of complication is the argument which has been made quite frequently to the effect that it will in some way cause a reduction in the tariffs of the American roads and thus lead to no practical effect. That is perhaps the strongest argument or is at least the statement most frequently made in opposing this rate. The Board of Railway Commissioners reduced the rate per hundred pounds on wheat moving from Port Arthur, Fort William, West Fort William and Armstrong to Quebec from 34½ cents to 18·34 cents per hundred pounds. This action was taken regardless of possible clashes with American roads, and the order was issued on August 26, 1927. I had the honour to represent the maritime board before the railway commission, on first general freight rate hearing, and I supported the application then made by Quebec but asked that the same rate be extended to Halifax and St. John with the addition of a one cent differential. Before any decision was given the Duncan commission intervened and as a result of its finding the Maritime Freight Rates Act was passed. That disposed of most of the matters in the general freight rates investigation. The grain rates were subsequently discussed again before the Board of Railway Commissioners. I was not representing the maritimes on that hearing as I had become a member of the government. The order was granted for Quebec but no order was made so far as Halifax and St. John were concerned. I would point out to the committee that at the time of the application to the board, there was in existence a grain rate from these western points of Port Arthur, Fort William, West Fort William and Armstrong to Quebec which was just one cent less than the grain rate to St. John and Halifax; in other words, there was a differential of one cent in the rates to these ports. I cannot see any complication in this matter. All that the maritime provinces are asking for is a continuance of this differential of one cent between the Quebec rate and the St. John and Halifax rate.

Under the terms of the order Quebec now has a rate of 18·34 cents per hundred pounds, and unless an adjustment is made it will mean that Quebec will have a rate of 18·34 cents as compared with the rate of 35½ cents to Halifax and St. John whereas the previous rates were 34½ cents to Quebec and 35½ cents to St. John and Halifax.

[Mr. Ralston.]

Mr. VENIOT: Quebec is not a winter port.

Mr. RALSTON: The Halifax harbour commissioners in June, 1928, applied to the Board of Railway Commissioners to reopen the matter and grant the lower rate to Halifax and St. John to correspond with the new Quebec rate and the maritime board of trade joined them. The matter was heard and in October, 1930, the board dismissed the application and in April, 1931, the present Halifax harbour commission appealed the case to the governor in council. There should be no complication in deciding that the old differential should apply; if the rate has been reduced to Quebec, then it should be reduced correspondingly to St. John and Halifax. This is all the complication there is and it is all the government has to determine. I desire to compliment both the old Halifax harbour commission and the new commission and the maritime board of trade on the excellent way in which this case has been presented, both to the Board of Railway Commissioners and to the governor in council. I have before me the brief, dated April 10, 1931, which was presented by Colonel Phinney, chairman of the present Halifax harbour board, to my hon. friend and his colleagues in the government. Included in that is the application which was presented by Mr. Peter R. Jack, former chairman of the Halifax harbour commission, under date of June 7, 1928. That appears on page 27 of the brief.

Mr. STEVENS: What is the date of Colonel Phinney's petition?

Mr. RALSTON: April 10, 1931. That petition of Colonel Phinney contains a very complete statement of the orders in council, the action which had been taken by the Board of Railway Commissioners and other bodies, the arguments which have been submitted from time to time and the proceedings which have been had in an endeavour to have this low grain rate established to St. John and Halifax, that is to say, after the Quebec rate was established, to get this rate put on a basis corresponding with that to Quebec. It is as complete a case as I think it has been my privilege to see presented. I want to urge on my hon. friend and his colleagues in the government, in spite of the numerous duties they have, a study once more of that brief which was presented, I think at least six or eight months ago; and by that I mean favourable consideration, not merely a study for the purpose of coming to the conclusion that the application cannot be granted. Let me say to my hon. friend that the rate differential is the whole point involved. I am

not going to take up the time of the committee in discussing the merits of the ports of Halifax and St. John or their value to Canada as national ports. That has been discussed before; it is set out fully in the brief and it is only because of the fact it is so fully presented that I do not go into it to-day again.

I should like, however, to make this further point, that Sir Alexander Gibb's report, which has just been presented to parliament, is, as regards its reference to the port of Halifax, a very great disappointment, I can assure my hon. friend, not on political grounds, to all parties who are interested in the development of the port, and who realize its importance as the eastern gateway not only during the winter months but all the year round. My hon. friend will realize this when he reads in the public press of the last week or two statements by Colonel Phinney, the present chairman of the Halifax harbour board, Mr. Jack, the former chairman, and by Colonel Jones, president of the Halifax board of trade. Their statements will repay study by my hon. friend when he is considering the matter of grain traffic through Halifax. In Sir Alexander Gibb's report there has been some suggestion that Halifax may as well forget grain as a source of traffic through that port. The arguments which those gentlemen present, both in the brief to which I have referred and in the statements which they have made, as reported in the press, make it abundantly clear that, with all due deference to Sir Alexander Gibb, he has not grasped, either the local or the national importance of Halifax as a grain port.

My hon. friend refers to the desirability of having commercial interests take part in the forwarding of grain to the eastern ports. An assiduous effort has been made by both the former harbour commission and the present one, I know, to interest shippers in using Canadian ports. I believe Halifax and the maritime provinces have done all they reasonably could be expected to do and it is useless for them to attempt to attract grain through Canadian ports in any large quantity at freight rates which are so much out of line with those which have been put into force to Quebec. Therefore I come back again to ask my hon. friend with his colleagues to consider favourably the application on appeal which has been made from the decision of the Board of Railway Commissioners and to give a prompt decision allowing that application.

Mr. CANTLEY: In the absence of the senior member for Halifax (Mr. Black), perhaps it is incumbent upon me to remind the house that within the last forty-eight hours there has been handed to the government a communication signed by all the Conservative senators and members from the maritime provinces asking it to put into force the rate referred to by the hon. member for Shelburne-Yarmouth (Mr. Ralston) who has just sat down, that is 19·34 cents per hundred pounds to Halifax and St. John. As to what effect such rate, if adopted, would have, I do not know, but I may say that I have some doubt whether, if that rate were applied, any considerable quantity of grain would be shipped from those ports. My doubt is due to this fact: a large proportion of the grain that is shipped through the port of New York is carried by the large liners. Why is that so? Simply because those large transatlantic boats, coming in and sailing as they have to do, on schedule time, must, due to their great superstructures, be given considerable quantities of dead-weight ballast and the most convenient type of dead-weight cargo they can obtain is grain. In former years, when the United States were shipping considerable quantities of lead, copper and other heavy commodities of that kind, those liners were able to obtain, to some extent, at all events, the dead-weight ballast which they required. Under present conditions that class of commodity is not available. Those vessels, depending on their size, must get the stiffening they require, representing 3,000, 5,000, 8,000 tons on each eastern voyage. I have known liners actually to pay as much as one cent a bushel for the privilege of carrying grain from New York to Europe and tens of thousands of bushels of grain have been carried at from one-half to two or three cents a bushel. That is a condition of affairs that no adjustment of railway rates in Canada can obviate. There is one way in which the situation can be met, and if our hon. friends opposite are prepared to take that step I should be glad to know they have the courage to take it, and that is to prohibit the export of grain through any other than Canadian national ports. If they are prepared to do that, the grain of the western provinces will go through the ports of Halifax and St. John during the winter and through Montreal in the summer. But apart from that I am afraid no very large proportion of grain from the western provinces will be taken away from United States Atlantic ports, particularly New York, as long as modern great Atlantic liners must have a large amount of dead-weight ballast, and with say eight or ten big liners sailing eastwardly weekly, each carrying from one hundred and fifty to four hundred thousand bushels of

grain, it will be seen how great this competition with our Atlantic ports is and to how large an extent it may affect and control the situation.

Mr. VENIOT: I cannot let the occasion pass without saying a word or two on this question. The hon. member for Pictou (Mr. Cantley) has told us that within the last forty-eight hours a petition signed by all the Conservative members and senators from the maritime provinces was presented to the government in order to induce it to do that which the Conservative party promised to do when they were in opposition. Of course the signing of that petition is not a political matter at all! Nova Scotia is not wholly represented by Conservatives while New Brunswick is represented pretty nearly all by Conservatives, and some weight might have been given to the petition if our hon. friends opposite had consulted the other representatives of the people and asked their cooperation in this matter. The government side of the house has in the past been talking so much of cooperation. They tell us that we on this side refuse to cooperate, and yet at the very moment when one of the most essential questions affecting the maritime provinces comes up, our hon. friends opposite refuse even to ask for cooperation. Therefore their attitude is not very consistent, nor is that of the hon. member for Pictou consistent to-day because we all remember how he reviled the Liberal party when it was in power. He put forward no such argument in 1928-29 as he has put forward this afternoon as an excuse—

Mr. CANTLEY: He is learning.

Mr. VENIOT: Rather late for my hon. friend to learn. He is learning to find excuses for the non-fulfilment of promises made by his party when in opposition. That is the extent of his learning to-day. I well remember the Minister of Trade and Commerce, if I am not mistaken, preaching a sermon to us when we sat to the right of the Speaker, about encouraging Canadian ports. Let me give a little matter of history. In 1928-29, the rate from the head of the lakes to Quebec was 34 cents, and to St. John and Halifax 35 cents and a fraction, but let us deal with round figures. What do we find? The port of St. John handled 27,000,000 bushels of grain, and when we were handling 27,000,000 bushels of grain in St. John we were told that there was too much Canadian grain going through American ports, and that that was our fault. The rate from the head of the lakes to Quebec was 34 cents, and the rate from the head of the lakes to the maritime ports, 35 cents.

[Mr. Cantley.]

Quebec got a reduction from 34 cents to 18 cents, and when we in the maritimes pleaded for a rate on a basis of the rate that we had before when the Quebec rate was 34 cents, I will not say we were refused it by the railway commission, but when the Quebec case was placed before the railway commission the case of New Brunswick and Nova Scotia, or the St. John and Halifax case, was not presented in the same light as the Quebec case. A gentleman by the name of Mr. Duchemin, a lawyer from Sydney, I think, represented the Nova Scotia government at that time before the railway commission, looking on only. His statement before the railway commission at that time was: I am representing the governments of Nova Scotia and New Brunswick, but I am not here at the present moment to push their claims. I do agree, he said, with the arguments of the city of Quebec, and I hope that the commission will see their way clear to grant the request of the city of Quebec for a reduction in the rate. Later on, when some of the commissioners drew his attention to the fact that they were convinced that the claims of St. John and Halifax were properly before the board, Mr. Duchemin stated to the commission before that sitting adjourned, that on the request of his superiors he was withdrawing the Nova Scotia and New Brunswick claims—

Mr. CANTLEY: Pardon me, that is not what he said.

Mr. VENIOT: The hon. gentleman has had his say.

Mr. CANTLEY: Tell the committee fairly what took place, and what Mr. Duchemin said. He said that in view of the presentations he would ask for a postponement of a decision on that matter.

Mr. VENIOT: That is not the fact. The record of the board will show that Mr. Duchemin said that at the request of his superiors he was withdrawing the case. This matter was fully discussed in the press of Nova Scotia and of New Brunswick at the time owing to a statement that I had made in an address at St. John, and I produced at that time the evidence, a copy of the report of the commission, to prove that my statement was correct. Now what happened? Just about three months before the commission sat to consider what was supposed to be the Quebec request as well as the Halifax and St. John request, officials of the Canadian Pacific Railway raised the argument and officials of that railway appealed to certain members of this house whom I could name to use their influence with the Halifax and

St. John harbour commissioners not to press their case because if the case for a reduction to 19 cents for St. John and Halifax were pushed, we would have retaliation from the American railroads. Another argument that they used was that if we pressed the case the large quantity of American grain that was then being shipped through the port of Montreal would be diverted from that port and would hurt Montreal. To be plain about the matter, I myself, then a member of the government, was approached by officials of the Canadian Pacific Railway to use my influence with the board of trade in St. John, if I had any, and with the harbour commission in St. John as well as with the city council of St. John, to have them withdraw the case. I refused to do so, and I exposed that method in a speech in the city of St. John. What happened? A few months afterwards Mr. Duchemin sent notice to the railway commission that they were withdrawing their case or, accepting the statement of the hon. member for Pictou, postponing their case owing to certain conditions, and the case was then either withdrawn or postponed—it makes no difference which. From that day to this that request has never been granted. It has been further considered since this government came into power, and yet it has not been granted, and the Canadian Pacific Railway were the means of preventing the granting of the differential to St. John and Halifax if they were the means of inducing the representatives of the government of Nova Scotia and New Brunswick to agree to having their case withdrawn or postponed. That is where the injury was done to the maritime provinces.

I appeal as strongly as I can to the government to give a decision in this matter. They are the court of last resort. If the railway commission consider that it is out of their jurisdiction or if they cannot see their way clear to giving this lower rate of 19 cents from the head of the lakes to St. John and Halifax, an appeal lies to the governor in council as the court of last resort, and the governor in council has the power to state to the railroads: You shall fix the rate at such and such a figure. But so far that has not been done. The case never came before the old government as it is now before the present government.

Mr. MacDONALD (Cape Breton): That is not correct.

Mr. VENIOT: That is correct. It never came before the old government on appeal.

Mr. STEVENS: Did it not come before the old government on a petition from the Halifax harbour commission?

Mr. VENIOT: Yes, but the reference was made then to the railway commission. The railway commission was dealing with the matter, and the Halifax and St. John authorities, according to my hon. friend from Pictou, had the case postponed. I say that they had the case withdrawn, and after the postponement or withdrawal, as the case may be, they never went before the railway commission until lately—

Mr. RALSTON: The old harbour commission.

Mr. VENIOT: Yes, and when the railway commission gave their decision lately against the request, the authorities of Nova Scotia and New Brunswick both combined, I think, and appealed to the government against the decision of the commission. That appeal is still resting before the present government. I am not going to criticize the government for the delay. They may have had ample reasons for that delay. We know the amount of business they have to-day, we know the times of stress through which the country is passing, and that as a result the time and attention of the ministers are well taken up. I urge upon them, however that they give an early decision. Such action is very important, so far as the port of St. John is concerned.

Sir Alexander Gibb has given a report most favourable to the harbour of St. John, and I am proud to say in that report he has stated that St. John harbour was during the last six or seven years and is being now administered most economically, and that it deserves all encouragement possible. I am not making this statement to hurt the port of Halifax; I am content to let the people of Nova Scotia fight their own battles, and I shall fight those of the province of New Brunswick. Following the recommendation by Sir Alexander Gibb we have reason to hope that the government will adopt some means by which they can encourage, to an extent greater than has been done, the shipment of grain through Canadian ports, and especially through the two winter ports. The late government did pass regulations encouraging shipment or import of foreign goods through Canadian ports. A preferential duty was fixed by the late government on all English goods entering Canada. Those goods if shipped in bottoms coming through Canadian ports received an extra ten per cent advantage, and that advantage has had a most beneficial effect. The inward trade through the port of St. John has been stimulated. Before the passing of that regulation shipments from Great Britain to reach Canadian destinations came very largely through American ports.

Mr. MacLAREN: That also applied in connection with West Indies trade.

Mr. VENIOT: Yes. After the adoption of the regulation through which an extra ten per cent preference was given on all English goods entering Canada through Canadian ports, 99½ per cent of all the goods shipped from England to Canada came through our Canadian ports, whereas before that time only 55 per cent or 60 per cent came direct. If the government could devise means which, together with the lowered freight rate on grain, would to a certain extent encourage our western shippers to ship through Canadian ports, to my mind they would promote a movement which would stimulate the maritime provinces and put them on a footing, from an economic or industrial standpoint, better than they occupy to-day or have occupied for some years past.

Mr. MALCOLM: Mr. Chairman, as a former minister of the Department of Trade and Commerce and as a member in the committee representing a province which is not as vitally interested in the movement of grain through the maritime ports as are the hon. members representing western Canada and the province of Nova Scotia, I should like to say a word or two in support of the minister's position concerning endeavours made towards the movement of grain through the maritime ports.

To the present Minister of Trade and Commerce I should say that I believe the department under his administration is just as anxious as it was when I had the honour to hold his position, to ship as much of our grain as we possibly can through Canadian ports. The late government did provide the facilities. There is now an opportunity, by governmental action to provide a rate which will demonstrate whether or not grain can be handled in any substantial quantity through these ports. In other words, if the present government grants the request of my hon. friends from this side of the house my hon. friends opposite and the senators, I do not think that at the moment much more can be done except to encourage shippers to prove whether or not we can export a substantial quantity of grain through the ports of Halifax and St. John.

There is much truth in the statements of my hon. friend from Pictou (Mr. Cantley) and in those of the minister. We in this parliament however must remember that sometimes we can be a bit too selfish in our national viewpoints. We can be too selfish in our national viewpoint with regard to trade as we can with regard to tariffs; sometimes these things are two-edged swords. I think the minister will agree that the figures have not changed very much and that we enjoy through the port of Montreal about the same export of American grain as the United States enjoys of Canadian grain through the port of Buffalo. Through the years there has been a fairly even balance, and no doubt my western friends realize that some of the export of American grain through the port of Montreal has, in the past, been very helpful to them. Especially is that true concerning certain lower grades of Canadian barley. A market has been found for that barley, whether high or low grade, by mixing in the port of Montreal with American barley, making an admixture more suitable to the continental trade. Likewise we must remember—and this is not a selfish recommendation favouring the west—that the Canadian ports enjoy a very substantial import trade destined for the United States. Especially does that apply on the Pacific seaboard. So, I say, if the facilities and the rate structure which I know the minister is anxious to give, can induce a greater trade through our maritime ports, I believe every hon. member in the house is prepared to support the granting of the rate. As the hon. member for Pictou has said, complete control of movement through maritime ports can be brought about by putting into effect very drastic regulations,—regulations which I believe every hon. member must realize might lead to retaliation which would be more disastrous in its effect than the regulations would be beneficial. Therefore I say to my hon. friends from the maritime provinces that as a former minister I thoroughly support them in their request for a one cent differential and I support the minister in his endeavours to increase trade through these ports by inducing shippers to make greater use of the facilities provided.

The ports of Halifax and St. John simply must be maintained as they are Canada's only winter Atlantic outlets. There is no politics in connection with this matter. In the past, as in the present, this house has been prepared to sustain and support any rate structure which will enable us to bring as much of our western grain as possible through Atlantic ports. I do not however think we would be adopting the wise course if we were to force upon the minister regulations or suggestions which in the aggregate or in the long run might react unfavourably on his department in other ways. I believe the rate structure or differential asked for by my hon. friends has the minister's sympathetic consideration. He

fully realizes the tremendous investment which has been made by past governments in harbour facilities; he realizes the investments made in elevator facilities. I am quite satisfied the minister will do everything in his power to facilitate the movement of grain through the Atlantic ports.

Mr. QUINN: Mr. Chairman, I am very sorry I was not in my place when this item was first brought to the attention of the committee. I was quite surprised to learn of the show staged here this afternoon by Nova Scotia and New Brunswick members, with only one exception. It is not very difficult to find a reason for it. If we look at the Halifax Herald of Thursday, April 14, yesterday, we see on the front page, in large letters, the following:

Prime Minister urged to act on maritime appeal. Senators and members declare N.T.R. grain rates case should not be referred back to any body that has already dealt with question.

Now I can understand the panic. Now I can easily understand why the hon. member for Antigonish-Guysborough (Mr. Duff) gets up in his place and expresses his solicitude for the port of Halifax. Now I can understand why the hon. member for Shelburne-Yarmouth (Mr. Ralston) becomes so suddenly alarmed because the port of Halifax is not getting sufficient business. Now I can also understand the attitude of the hon. member for Hants-Kings (Mr. Ilsley) and the attitude of the hon. member for Gloucester (Mr. Veniot). The member for Gloucester wondered why, when this petition was being drawn up, the cooperation of the Liberal members was not asked. Well, there was a debate here for some three or four weeks and the cooperation of the opposition members was asked to facilitate the passing of the unemployment relief bill, but there was very little cooperation from that side. "We will give you cooperation if you will give us our pound of flesh"; that was the cooperation we got from hon. gentlemen opposite. It is no wonder that these hon. gentlemen become so suddenly interested in the matter under discussion. I am told the hon. member for Antigonish-Guysborough quoted from a speech I made in this house.

Mr. DUFF: No; I did not quote your speech at all. I said you made a speech.

Mr. QUINN: Very well; the hon. member referred at any rate to a speech I made in 1926. I well remember it. The hon. gentleman asked whether I was as much interested now as I was then. I am just as much interested, and more so. But, sir, I am not going to use every opportunity to stand up in this house and bring to the attention of parliament, either in the house or in this committee, what my attitude is and what my demands are with regard to the port of Halifax. I am making my representations in what I consider the proper way. I am not looking for cheap newspaper advertising or notoriety.

Mr. BRADETTE: What about the McConachie family?

Mr. QUINN: I did not bring to the attention of the house the McConachie case for any advertising. If hon. gentlemen will read Hansard they will find that when I made my address on behalf of that family I made it quite plain that I had been asked to do so by a chaplain at the port of Halifax. And that gentleman was not of my political stripe. He was and is a member of one of the outstanding Liberal families of Quebec. I deny what the hon. member for North Temiskaming says, when he charges that I was looking for notoriety or playing politics in that regard.

Mr. BRADETTE: We remember it.

Mr. QUINN: You can remember it if you wish to. I would remind hon. gentlemen that for nine years, they sat here as supporters of a government, of the same party which introduced the National Transcontinental bill into this parliament in 1903. I quoted in my address in this house in 1926 some of the statements of Sir Wilfrid Laurier and the promises of the Liberal party with regard to forcing the trade of Canada east and west, and in looking through an editorial in the same paper to which I have already referred I find that on July 30, 1903, the then Prime Minister of Canada, Sir Wilfrid Laurier, in asking for leave to introduce a bill to provide for the construction of a National Transcontinental railway, said in the course of his speech on that occasion:

Let me observe that if we have used American ports, it is not because of five months in the year our own ports are icebound . . . but simply because we had no railways to reach them. In the face of this, are the Canadian parliament and people going to stand on their manhood and place us in such a position that at all times of the year, not only by one railway, but by two or more, we shall have access from January to December to our own harbours, and be able to say to our American neighbours: "Take off your bonding privilege whenever it suits you, we are commercially independent."

In the same address the right hon. gentleman went on:

The Canadian confederation would have been a union on paper and a union on paper only, but for the fact that the Grand Trunk railway, and the Canadian Pacific railway and the

Intercolonial railway brought all parts of our country together to act in unison and to beat with the same heart. This new railway will be another link in that chain of union. It will not only open territory hitherto idle and unprofitable; it will not only force Canadian trade into Canadian channels; it will not only promote citizenship between old Canada and new Canada, but it will secure us our commercial independence, and it will forever make us free from the bondage of the bonding privilege. For that reason alone, in my estimation, it would be worth all the sacrifices and far more than we are called upon to make.

I ask this committee: What did Sir Wilfrid Laurier mean by that, if he did not mean that it was his intention and the intention of his government to force Canadian goods through Canadian channels and have them shipped through Canadian ports? I ask further: Was that the attitude of hon. members opposite during the nine years from 1921 to 1930? They had before them the words of their leader, the greatest Liberal leader Canada has ever had. They knew what he had said when he introduced this bill, namely, that he intended to force Canadian trade through Canadian ports. Hon. gentlemen opposite had their opportunity, but they lay down on the job.

Some hon. MEMBERS: Oh, oh.

Mr. QUINN: You can laugh if you like. You laugh at every sensible observation made on this side of the house. I see my hon. friend from Vancouver Centre (Mr. Mackenzie), that brilliant gentleman, the only man in God's world who knew that Britain was going off the gold standard. If ever this house had occasion to laugh, it was when that gentleman told the house he knew all about Britain's intention to go off the gold standard. I think he might be quiet for a little while.

I do not engage the attention of this house on many occasions, and I do not intend to fill up the pages of Hansard now. I simply rose to tell hon. gentlemen on the other side just where I stand with regard to the development of the port of Halifax and the trade to that port. I stand, as I always have stood, ready and willing to do my part on all occasions to impress upon this government or upon any other government the importance of shipping the products of this country through the ports of Halifax and St. John.

Where would this country have been from 1914 to 1918 if, during five months of the year, we could not have sent Canadian troops and materials to the war area from the ports of St. John and Halifax? The majority of our soldiers were sent from Halifax, as well as a great many American troops, and a great many of these soldiers came back through the same port. That illustrates the importance of developing those ports and keeping them in proper condition, and I say again to the Minister of Trade and Commerce and his colleagues that we in Nova Scotia look to this government for every assistance it can possibly give in the development of our port, and I feel quite certain that as soon as the opportunity presents itself they will give us that assistance for which we have petitioned on many occasions.

Mr. DUFF: I think it is to be regretted that after I and other Nova Scotia and New Brunswick members have risen in our places this afternoon in order to impress upon the Minister of Trade and Commerce the importance of using the great ports of Halifax and St. John, the junior member for Halifax should refer to our remarks as a show. It may be a show for him; he reminds me of the story I read, when a boy, of Rip Van Winkle, who slept for twenty years.

Mr. QUINN: You slept for nine years.

Mr. DUFF: My hon. friend has been sleeping in this parliament, as far as the shipment of grain through Halifax is concerned, for the last three sessions, and he should be the last member to refer to our discussion this afternoon as a show, especially when I, who do not represent the port of Halifax, come to his help in trying to get more business for that port.

Mr. QUINN: A political show.

Mr. DUFF: My hon. friend also tries to make out that I would not have risen in my place in connection with this matter if it had not been for the fact that the Nova Scotia members supporting the government discussed this question with the government during the last few days. I am very glad that they did so, but my hon. friend is not fair nor is he correct. Evidently he was out of the house when the discussion started this afternoon, and he must have been out of the house a week ago to-night as well, when I asked the minister to tell us the policy of the government with regard to the shipment of grain through the port of Halifax. I might say to my hon. friend that in my opinion the reason for the meeting of the Nova Scotia members with the government during the last three or four days was that the hon. member for Gloucester and myself rose in our places last Friday night to ask what was the policy of the government. Evidently we must have awakened the Rip Van Winkle from Halifax.

My hon. friend also says that we are trying to get some cheap political notoriety

out of this discussion. I wonder what the people of Halifax will think of that statement when they read that my hon. friend from Shelburne-Yarmouth, my hon. friend from Hants-Kings, my hon. friend from Gloucester and myself endeavoured to induce the minister to do something for these two great ports. I am sure they will not call it cheap newspaper advertising. The only reference I made to my hon. friends from Nova Scotia was this: I said that during the years the Liberal party was in power some of my hon. friends from Nova Scotia upbraided the government day in and day out for not doing as much as they thought should be done to have grain shipped through the port of Halifax. I wanted to show the minister that my hon. friend the junior member for Halifax, who was so insistent at that time in asking why grain was not going through that port, has been very silent for the two years this government has been in office, though we find that to-day less grain is going through the port of Halifax than went through it when the Liberal government was in power. It is all very well for my hon. friend to lay a bouquet on the tomb of the great chieftain of the Liberal party, Sir Wilfrid Laurier, with regard to the Transcontinental railway. First my hon. friend says the Liberal party did nothing to ship grain through Halifax, and in almost the next breath he gives credit to Sir Wilfrid Laurier for building the Transcontinental in order that grain might flow through the ports of St. John and Halifax.

What did my hon. friend and his friends do with regard to the Transcontinental railway after the Liberal government was defeated in 1911? That road was built by the Liberal party, who went to the country in 1904 on that issue. I do not know what position my hon. friend took then, in his younger days, but we do know what was done by the Tory party, and we do know their attitude in 1904 with regard to the construction of that railway. They opposed it to the very limit; they did not say one word in favour of it, but my hon. friend says now that while Sir Wilfrid Laurier should get great credit for the construction of that line, the Liberals should be condemned because they did not use the road during the nine years they were in power. Does not my hon. friend know the reason why that road was not used during those nine years, or for that matter during the last twenty years? It was because the ministry of Sir Robert Borden was hardly sworn in before it degraded the Transcontinental railway. It is a well known fact that the road was not finished when the Liberal party was defeated, and what was done by our Conservative friends from Nova Scotia, and for that matter from every part of the country, with regard to that great enterprise? They deliberately increased the grades and put wooden bridges where it had been intended to use iron bridges. That was one reason why the road was not used; the grades were so heavy that the engines could not pull enough cars to make it profitable to ship grain over that line from Quebec to Moncton.

Mr. CANTLEY: You had better shade that a little.

Mr. DUFF: It is true that the grades were made steeper than they were supposed to be. I do not know the technical term; perhaps the Minister of Railways could tell me, but there is no question about it.

Mr. CANTLEY: You are off the track a little.

Mr. DUFF: No, I am not. I know I am making my hon. friend from Pictou squirm in his seat, but I cannot help it. So I say it does not lie in the mouths of my hon. friends opposite to make out that in their nine years in power the Liberal party did nothing in order to encourage the shipment of grain through the ports of Halifax and St. John. Will not my hon. friend admit that the Liberal party did try to do something? Who built the elevator in Halifax? Was that done by the Conservative party? It is quite true that when the elevator was being built, and when the Liberal government and the harbour commission were endeavouring to do something so that grain would pass through the port of Halifax, the newspaper from which my hon. friend just read said it was useless to build that elevator, that the pigeons would roost on it and no grain would pass through it. If I am not mistaken my hon. friend either used those words himself or said, "Amen" when the Halifax Herald used them. So it does not lie in the mouth of my hon. friend now to say that we on this side are rising in our places this afternoon only because we were forced to do so by a meeting of Conservative members which took place several days after my hon. friend from Gloucester and I brought up this question in the house. Both my hon. friend from Gloucester and I are delighted to have the support of the Conservative members from the province of Nova Scotia. all I can say is: More power to their elbows, and may their efforts be crowned with success. If the government is to do anything I know it will not be done because of what has been said by the hon. member for Gloucester and

myself; my hon. friends will try to take the credit and I, for one, am willing to give it to them. If the government will put a one cent differential into effect as between Quebec and Halifax and St. John, then I am sure that both the hon. member for Gloucester and I will be very pleased. We will be only too glad to see the port of Halifax obtain a greater amount of business.

My hon. friend did not say what he thought about Sir Alexander Gibb's report, and I wonder if he has taken that up with the government. Is he going to be satisfied that no heavy freight shall go through the port of Halifax? The Conservative party has spent, or perhaps I should say wasted, $35,000,000 on this port because the terminal should never have been built at its present location. One-third or one-quarter of that amount would have been sufficient to construct the terminal in the northern part of the harbour and better facilities would have been provided. The fact remains that $35,000,000 was spent by the Conservative party after it came into power in 1911, and the Liberal party has spent more money on this port than it was justified in spending. Money was spent on Halifax which should have been distributed throughout the province, and yet my hon. friend gets up and says that in nine years the Liberal party did nothing for the port of Halifax. During the Liberal régime millions of dollars were spent in providing new facilities in order to encourage freight and passenger traffic through that port. I and other hon. members on this side from Nova Scotia will do everything in our power, whether in opposition or supporting the government, to see that all possible business goes through this great port on the Atlantic ocean.

Mr. SMITH (Cumberland): Mr. Chairman, I trust I may be pardoned for delaying the committee while I make a few observations on this important question. This is too vital a matter to be the subject of partisan bickerings. To my mind the policy of the routing of Canadian grain through American ports almost challenges the competency of this country as to the utilization of a great Canadian railway, the Transcontinental, built for a specific purpose and at tremendous cost—I understand upwards of $300,000,000. I have not the figures before me, but as I recollect, in 1931, five times as much Canadian grain was routed through the American Atlantic seaports as passed through the Canadian Atlantic seaports. Canadian grain is being routed through American ports in such huge volume as to build up a business in the United States estimated in 1931, as being worth $20,000,000 to that country. This was the amount of Canadian money expended in the United States to cover the movement and other costs of Canadian grain over American lines and through American ports, while our own ports at Halifax and St. John were being starved for business. During an eight-year period from 1924 to 1931 inclusive, a total of 841,801,868 bushels of Canadian grain passed through American Atlantic seaports, while during the same eight-year period those same American ports handled but 296,025,798 bushels of American grain, nearly four times as much.

The question of the building of the National Transcontinental Railway has been discussed before in this house, and the pronouncements which were made in parliament and during the elections of 1904 and 1908 have been made and do not need to be repeated. The Gibb report is very disappointing so far as Halifax is concerned, inasmuch as it intimates that this port cannot look to the future with any degree of hope for the expansion of heavy basic cargoes, that it must depend principally on package freight. Those familiar with transportation matters and questions of shipping tell me that package freight invariably follows the basic cargo, so if we are unable to obtain the basic cargo—and practically the only basic cargo in this country is grain—then we have little or no chance of securing the package freight. In that respect, and in respect to many other angles to which I shall not refer, the Gibb report is very discouraging.

The former Minister of Trade and Commerce (Mr. Malcolm) has said that this is a serious problem, and with that we all agree. The hon. member also stated that we might lay ourselves open to some measure of retaliation if we embraced too strongly any direct action with respect to the routing of Canadian grain entirely through Canadian ports. As I said before, in 1931, four times as much Canadian grain was shipped through American ports as American grain through Canadian ports, so the question of retaliation is not at all serious so far as we are concerned.

Mr. COOTE: In referring to Canadian Atlantic ports, does the hon. member include Montreal?

Mr. SMITH (Cumberland): Yes, Montreal, Quebec, St. John and Halifax, but I excluded the Pacific ports. As I said, this matter is one which challenges our competency to deal effectively with the routing of Canadian trade over Canadian steel and through Canadian ports. I am sure every effort will be made to see that this wrong is rectified and that

there shall be a complete utilization of our Canadian ports, and particularly the ones in which I am most interested, the ports of Halifax and St. John.

Mr. HANSON (Skeena): Mr. Chairman, I should like to have some information from the Minister of Trade and Commerce (Mr. Stevens) in connection with the elevator at Prince Rupert which was built in 1926. Immediately after it was opened, it was leased to the Alberta wheat pool. During 1926 and 1927, several million bushels of grain went through that elevator; in 1928 and 1929 about the same amount; in 1930 and 1931 there was one cargo and in 1932 there has been no cargo so far. I ask this question because I understand the lease will expire within a short time. Does the government intend to re-lease it to the Alberta wheat pool which uses it only as a storehouse? Will the minister enlighten me on that subject?

Mr. STEVENS: This elevator is leased to the Alberta pool, and I do not know of any other body of exporters that are more efficient in the handling of their export business than are the pool operators of the prairie provinces. They are now divided into three pools, but sometimes the three operate under one sales agency. They now operate their own sales business, which is efficiently handled and which is in charge of the export trade. At the present time this elevator is full of grain —not moving, I admit—owned by the pool. The movement of grain through Prince Rupert depends naturally on the condition of shipping and the markets, chiefly of the orient. Unfortunately for Prince Rupert—I suppose I can only put it in that way—the main shipping on the Pacific coast calls at Vancouver. Through that port, if I recollect rightly, the export of grain is much larger than it was last year and has reached around 65,000,000 bushels; the movement is free and very large. There is nothing the government has done or can do that will move that grain through Prince Rupert if the owners of the grain do not find the facilities there for its movement to be an advantage over or on a par with those of other ports. As I said a moment ago with regard to the other matter, the grain is in the hands of its owners and they direct its movements. The lease is a very moderate one; the rate is low; the freight rates are low; everything that the country can do has been done for the movement of shipments through that port. The lease, I may say, expires next year. When the time comes the government will consider what is the best thing to do, whether to renew the lease if it is so desired, or to make a new lease with other parties; but that point has not yet been under consideration.

Mr. HANSON (Skeena): Have the Alberta wheat pool applied for a renewal of the lease?

Mr. STEVENS: Not yet.

Mr. HANSON (York-Sunbury): As a member representing a New Brunswick constituency, I do not think I should let this occasion pass without making some brief observations. I should like to preface my remarks with the statement that I enter into this discussion in no controversial spirit. As has been well said by my colleague from the county of Cumberland, to us in the maritime provinces, especially those of us who are interested in the great national ports of St. John and Halifax, this whole question transcends partisanship. I should like the house to visualize the entire question in that spirit.

Ever since the days of the decline of wooden shipping in the maritime provinces, our people have visualized the utilization of those two national ports as the winter ports of Canada. I am not very old, but my mind goes back to the year 1895, when the Beaver line first used St. John as a winter port. Prior to that time shipments of Canadian products across the ocean had been through Portland. Boston or other United States ports. The citizens of St. John put up a strong battle to controvert the idea that our ports were not usable during the winter season. It was the old government of which Sir George Foster was Minister of Finance that granted the first subsidy for the shipment of goods through Canadian ports including St. John. That was but the beginning, and from that time on the citizens of St. John expended their money and credit in an effort to build up a winter port.

The battle, however, has been a long one, and their hopes have been deferred. It is time that parliament, with the cooperation of every shade of public opinion in the house, dealt with this problem.

I listened with a good deal of interest to the remarks made by the Minister of Trade and Commerce and am appreciative of the fact there are great difficulties in the way. But I should like to impress upon him and hon. members generally that while his statement that the routing of grain is in the hands of the owner is primarily correct; yet grain shipments will travel along the lines of least resistance, and the most important factor is the question of rates. That, I think, is a fundamental principle, and it is only by a reduction in the grain rates that we can, by the natural evolution of business, have that

traffic routed through our own ports. Frankly I have always recognized that geography is against the principle for which we are contending; we cannot shut our eyes to the fact; but because of that, we have to take other measures and we ask the cooperation of western shippers to that end. Surely the maritime provinces have done their share in building up the west; surely we have contributed our resources to the building of the railways there, and we ask the western people who are shipping grain to recognize that fact and to reciprocate in some degree. I am not complaining that the shippers utilize the cheapest routes, but I know of no other way whereby this difficulty can be overcome and the hopes and aspirations of our citizenship in Nova Scotia and New Brunswick realized, than by making the freight rates attractive. Therefore I urge that steps be taken to put St. John and Halifax rates on a parity with Quebec rates, so-called, plus the differential of one cent. Let us try that out.

I am sorry there has been interjected into this debate this afternoon an element of partisanship. I suppose that is natural in a house composed of two major political parties, but I should like to remind the hon. member for Antigonish-Guysborough and the hon. member for Gloucester that the movement which is now under way and the representations which have recently been made to the government are not inspired by anything they may have said in this chamber. The movement has been under way for some weeks and the memorial which has been presented to the government sets forth fairly, I think, the position of the two provinces represented. I am not quite certain why the aid of Liberal members from Nova Scotia and New Brunswick was not sought. I do not know that it would have added to or detracted from the weight of the representations which have been made. Be that as it may, I do desire to remind this house and the country that ever since the declaration of Sir Wilfrid Laurier in 1903, when he introduced the bill with respect to the construction of the Transcontinental railway, the people of the two eastern provinces have been waiting for the fulfilment of the promise he then made. Although it may have been quoted many times in this house, I desire to read very briefly the statement made at that time, upon which the appeal for the establishment of this rate is now based. The appeal made at that time is based chiefly on the statute under which the Transcontinental was built, and which specified that—

[Mr. R. B. Hanson.]

—the through rate on export traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports.

That was the underlying principle of the rate structure to be established on the construction of the Transcontinental railway. That principle has never been adhered to from that time to this.

I am not blaming any political party or any particular government which has been in power. I am conscious of the fact that very important elements in our own country have been opposed to the establishment and carrying out of the principle underlying that declaration, and I venture to suggest that we do not have to look very much further than the port of Montreal as being the great deterrent to its fulfilment. They are fearful, I think, of the loss of the traffic which they have enjoyed for many years past in the shipment of American grain through their port. That is natural, but it simply emphasizes the selfishness of the port interests of the city of Montreal. They are willing to fight for that selfish interest no matter what becomes of the rest of Canada or of the winter ports of the maritimes. We from the maritime provinces protest against the selfish attitude of the port of Montreal with respect to this whole question, and I say to my friend the Minister of Trade and Commerce and to the Prime Minister and his government, let us try this matter out. Threats of retaliation should not deter a government from doing what is right if the principle involved is right. I know we are constantly under the economic pressure of the country to the south of us, but we are still a self-reliant nation; I have always noticed that when we stand up for our rights we gain their respect, and I believe that we shall continue to do so if we stand up for our rights in respect to this particular matter.

Let me say just this in conclusion. I did not take up a great deal of time in this house in days gone by when we were in opposition and dealing with the question of maritime rights; though I have sympathized with that movement and have spoken occasionally in favour of it, I have never taken up much of the time of this house discussing it or seeking newspaper publicity with regard to it. The people of the maritime provinces, certainly expect that the principle laid down as long ago as 1903, twenty-nine years ago, by Sir Wilfrid Laurier, shall now be brought to fruition. Matters are now coming to a climax. They feel that ample time has elapsed to make the necessary arrangements. All these huge expenditures which have been made for port facilities,

all these things which have been done recently as well as in former years and are now being done through the harbour commissions in St. John and Halifax, have been in preparation for the final carrying out of the principle implied in the Transcontinental railway legislation, and up to date they have all been practically a dead letter. Let all parties in this house get together and get behind the government and ask them to put this into effect at all events as a trial measure. The people of the maritime provinces will then know whether or not they are able to overcome geography, whether they are able to bring to fruition the hopes and aspirations of the last three decades.

Mr. VALLANCE: Naturally I am much interested in the discussion that has taken place this afternoon regarding the export of Canada's wheat and the channels through which it should go. I should like to ask the minister if his attention has been drawn to a new item appearing in this morning's Citizen, reading as follows:

Albany, N.Y., April 14.—A Canadian grain syndicate has signed a 10-year lease for the 2,500,000-bushel elevator planned for the port of Albany, it was revealed to-day when bids for the construction work were opened. The name of the syndicate was not revealed, but A. R. Roberts, of Toronto, its representative, said it had resources exceeding $60,000,000 and that it represented a combination of elevator and grain transportation groups. He said it controlled seven elevators and 20 lake steamers.

I would ask the minister if he has any knowledge of this transaction.

Mr. STEVENS: No more than my hon. friend has from the announcement he has just read. I should like to intimate to him that one should be a little cautious about attaching full weight to stories of that character. Merely to put the question to me, do I know anything about it or not, cannot get us anywhere. I know nothing about it, and the government knows nothing about it other than the statement which was made in the press. Of course we know, as everybody knows, that there have been many stories about the development of the port of Albany on the Hudson river, and all that sort of thing. There is the question of the deep waterways scheme. All these matters are being discussed in the press by persons. some responsible and some utterly irresponsible. I do not think that in considering the movement of our wheat crop we should be brought into any official contact with suggestions of the possible promotion by Americans or others of projects which are obviously of a private character. I would not like to leave in my answer to my hon. friend the impression that much importance should be attached to the announcement, which obviously is not and cannot be official.

Mr. VALLANCE: I really must accept the statement in the press as being founded upon a possibility. However, I am willing to accept the statement of the minister that he knows nothing of the matter.

Mr. STEVENS: No, I do not.

Mr. DONNELLY: In connection with this rate on grain to Halifax and St. John, I have been interested to know whether there is any discrimination against our Canadian ports as compared with American ports. Would the minister tell the committee what is the exact railway rate on grain from the head of the lakes to St. John and Halifax, as compared with the rate from the head of the lakes to New York, Boston and other American ports?

Mr. STEVENS: I cannot answer the question definitely at the moment, and perhaps it would be better for me not to reply to it offhand. But I am under the impression, and I give this for what it is worth, that the rate from the head of the lakes to Montreal is the same as from the head of the lakes to New York. When we come to Halifax and St. John we come to the special rates for winter haulage in connection with which two factors must be considered. One is the special rate to Quebec from the west of 18·34.

Mr. VENIOT: That is not for the winter months.

Mr. STEVENS: My hon. friend from Gloucester has said that is not for winter haulage; I am under the impression it is.

Mr. VENIOT: It is all the year round.

Mr. STEVENS: I was not discriminating in that sense. I had simply said that there was a rate to Quebec of 18·34. Then, there is a special rate to Halifax and St. John which is not as high as the normal rate governing the movement of freight, part of which is accounted for in the Maritime Freight Rates Act. Then there is the differential which is now complained of, and we have the arguments of the hon. member for York-Sunbury and the other hon. members who have spoken, asking for a one cent differential to be added to the Quebec rate which would put the maritimes on a much better basis.

While I am speaking may I say to the committee that this whole question is under study. The discussion this afternoon has been earnestly and effectively put forward by all speakers. I assure hon. members in the committee that as early as possible the matter

will be taken under advisement, and I express the hope that some decision may be arrived at in the near future. This matter is of tremendous importance. I do not wish to occupy the time of the committee in a long, detailed dissertation, but I assure hon. members that the question of grain is not the only matter under consideration. Many other elements which will be of advantage to the maritime ports may be worked out before long, at least before another session has passed. I can merely add that in the immediate future we will give the whole question the most earnest study.

Mr. DONNELLY: If grain is to be shipped out of this country surely the shipper must know the freight rate from Fort William to Halifax as compared with the rate from Fort William to New York, because no farmers would ship grain to Halifax if it cost five or six cents more than to ship it to New York.

Mr. STEVENS: My hon. friend is quite right when he states it is necessary to know the freight rates; I have no doubt any man handling grain is quite familiar with them. It just happened that I had not the details of the rates at my finger-tips, but the Minister of Railways has just this moment handed me a diagram showing the rates. From Fort William to New York the rate is 29½ cents, and from Fort William to Halifax and St. John the same rate obtains.

Mr. YOUNG: Lake and rail.

Mr. STEVENS: That is all rail. The corresponding rate is from Armstrong on the Canadian National railways.

Mr. VENIOT: When did the 29½ cent rate come into force?

Mr. BOTHWELL: What is it to Quebec?

Mr. VENIOT: It is 18·34 to Quebec.

Mr. STEVENS: My information is this rate has been in effect right along.

Mr. VENIOT: No, it has not.

Mr. STEVENS: Mr. Chairman, we are entering a realm of exact rate quotations which I had not anticipated.

Mr. VENIOT: There is a difference of five cents a bushel.

Mr. STEVENS: I think my hon. friend is wrong, but I am afraid I cannot dogmatize in the matter. I have given the rates as shown by the diagram supplied by the Minister of Railways and Canals.

Mr. MANION: Supplied by the railway board.

[Mr. Stevens.]

Mr. STEVENS: Yes, supplied by the railway board. While the information I have given is not a direct answer to the question put by my hon. friend opposite, nevertheless I accept the information on the diagram as correct.

Mr. DONNELLY: We have been talking about a 35 cent rate all afternoon; that is why I asked.

Mr. YOUNG: What is the rate to Montreal?

Mr. STEVENS: The rate is 28½ cents.

Mr. VENIOT: I do not wish to be understood as saying that that is not the rate at the present time. I do wish to say, however, that up until a year ago the railway commission never gave us anything under 35·5 to St. John and Halifax. When was this rate put into effect?

Mr. STEVENS: I cannot answer that question from memory, but I think it was within the last three or four years.

Mr. McINTOSH: I am under the impression the rate is still 35½ cents per hundred pounds.

Mr. VENIOT: The rate has been given of 29½ cents from the head of the lakes to Halifax and from the head of the lakes to New York. What is the difference in the distances?

Mr. MANION: May I say that this diagram was prepared for me, at my request, by the railway authorities. As the minister has explained, this diagram shows that the rate from the head of the lakes to Halifax and St. John is exactly the same as the rate to New York. To Montreal it is one cent less. The distances to Halifax and St. John are much greater, but we must remember they are competitive rates, and are in competition with the rates from Duluth and Minneapolis. Duluth and Minneapolis rates are the same to New York. I do not wish to take up the time of the committee, but I must say I was responsible for the chart. Last year for a short time there was a change in the United States rate, and the Canadian rate was changed because it was in competition. That, however, was for only a short time. Those rates are always on a competing basis.

Mr. VENIOT: I know they are on a competing basis, but the impression still prevails that our rate to the maritimes is 35·5 from the head of the lakes. In our application to the railway commission we have asked for a reduction from 35·5 to 19·34.

Mr. MANION: That is because of the Quebec decision.

Mr. VENIOT: Yes.

Mr. MANION: That was because of the decision in favour of Quebec. The rate to Quebec is not the same as to Montreal; it is eighteen cents.

Mr. VENIOT: The rate is 18·34. Quebec had a rate of 34·5; we had a rate of 35·5, and we are asking that the maritimes get a rate of 19·34. While I am on my feet may I say that I regret politics has been introduced into this discussion. I made an effort to keep it out. I see that reference has been made to the statute under which the Transcontinental railway was constructed.

Mr. COOTE: Mr. Chairman, I rise to a point of order. I claim the hon. member is out of order when he attempts to discuss the rate to Quebec under the estimate concerning the Board of Grain Commissioners. I should like to have the committee revert to the question under discussion. It has not been possible this afternoon to ask any question concerning the administration of the act.

Mr. VENIOT: Why should the discussion continue all afternoon and then be closed down at the last moment?

The CHAIRMAN (Mr. Hanson, York-Sunbury): I believe the discussion is in order. Under the administration of the Canada Grain Act a wide discussion may be allowed.

Mr. McINTOSH: You talked on it, and you are never out of order, so it must be in order.

Mr. VENIOT: The statement has been made that the Liberal party, during its term of office, never attempted to carry out or did not carry out the conditions laid down by the statute concerning the use of the Transcontinental railway for transportation to Atlantic ports. If that question had not come up I would not have spoken a second time. But may I call the attention of my Conservative friends to the fact that when they were in power from 1919 to 1921—I am leaving out of consideration for the moment the Union government—they took over all branch and main lines, the Transcontinental, the Canadian Northern and so on; and at that time, in order to encourage more fully transportation through Canadian ports, especially the winter ports of St. John and Halifax, an amendment was proposed whereby, if they had accepted it, the government would not have had any shipments made through the port of Portland. But that amendment was voted down by the Conservative government; and in 1921, instead of discouraging the shipment of grain through Portland, on October 17 they passed an order in council authorizing that nearly $2,000,000 be expended in the port of Portland to prepare it to receive Canadian goods going through that American channel. So that if we get into a political discussion and resort to recriminations, one against the other, we shall get nowhere in this matter. I thought it was my duty, however, seeing that an attempt had been made to blame the Liberals for having done nothing, to try to find out why the Conservative government in 1921 was prepared to spend $2,000,000 to bolster up the port of Portland against the port of St. John. And in that very year there was not one dollar spent on improvements in the harbour of St. John. I suggest therefore that we had better leave these things aside, because if we get into a discussion in detail of the actions of either party we shall get nowhere. I was very much pleased with the address delivered by the chairman (Mr. Hanson, York-Sunbury) on behalf of the maritime provinces. I think his attitude, one of conciliation and cooperation, will have a greater effect than if we continue trying to make political capital out of a discussion of this kind. While I did express regret that the Liberal members of the maritimes had not been consulted or asked to cooperate in the representations made to the government, still we are prepared to overlook that, and we assure the government that if they will undertake to grant to the maritimes what they are seeking in this respect, they will have the hearty cooperation of Liberal members from that part of the country.

Mr. BRADETTE: I believe I should have the right now, as a lone voice from northern Ontario, to state the sentiments of my section of the country. I believe that most of the anomalies which have to be faced in the maritime provinces would be removed if we could have shipments of grain over the transcontinental from Winnipeg to Quebec during the summer and winter. This is a very vital question to my section of the country, and as some speakers seem to have made it a political issue, I may say that I fully appreciate the position of the Minister of Trade and Commerce, because when I was sitting in support of this party when it was in power, I made representations to the government of that day. I fully realize the obstacles and difficulties which have to be surmounted. I believe that this question is capable of solution. I listened with a good deal of attention to

the remarks of the hon. member for Pictou, and it seems to me that the port of Halifax could receive a fair share of the wheat traffic if the old transcontinental could get its quota of freight haulage. I remember, although I was a young man at the time, when in 1903 the charter was granted to the Grand Trunk Pacific. It was said at that time that this was going to provide the shortest distance from ocean to ocean, and the road was going to haul heavy freight, such as grain and cattle, at a cheaper rate than the railway system as it then existed. The people were told that it was going to shorten the distance so considerably, that, as I remember, cartoons appeared in the Montreal Star suggesting that the Transcontinental line, under contemplation then, would be the shortest way to travel around the world. Sad to say, however, our expectations have not been fulfilled. As we all remember, the Transcontinental section from Quebec to Winnipeg was built by the federal government and was supposed to be handed over to the Grand Trunk Pacific after completion. For reasons well known to the country as a whole, that fact has not been accomplished. The fact remains, nevertheless, that we have never had any real haulage of grain from the prairies to the eastern ports over that section of the road. This is the best section of road bed on the American continent. It is over one thousand miles long and the grades are excellent, so that haulage over that section could be done at a cheaper rate than on any other section of our railways.

This question is becoming more and more acute, particularly in Cochrane and along that section of the Transcontinental, because the people have seen the administration of the Canadian National—I will not discuss this point now—withdrawing passenger service from Montreal to Winnipeg by way of North Bay and Cochrane. In our section of the country last summer and fall we were astonished that the royal commission did not find it possible to have at least a brief sitting in the town of Cochrane, which is one of the divisional points on the Transcontinental, being half way between Quebec and Winnipeg. I hope that before the inquiry is over that commission will visit Cochrane and study for themselves, on the ground, the situation as it actually exists.

I wish to be as brief as possible, and for that reason I will quote some observations and newspaper articles that have been published in the past in regard to this matter. Let me read a short excerpt from a speech made in 1917 by the hon. member for Quebec East (Mr. Lapointe). Speaking at that time the hon. gentleman said:

[Mr. Bradette.]

The Transcontinental, sweeping from Winnipeg through northern Ontario to Cochrane, and thence over the boundary to Amos and down into Quebec city, provided the most direct route and the easiest gradients from the prairies to the St. Lawrence. Accordingly, when the road was completed in 1916, it was able to quote a rate of six cents per bushel on wheat from Armstrong—a station in the Thunder Bay district just west and north of Lake Nipigon, and almost due north of Fort William and Port Arthur—down to Quebec city, 959 miles distant.

But then a mysterious thing happened. Hardly had the rate been announced when the Conservative government almost quadrupled it.

The increased rate, it is alleged, proved not only discriminatory, but also prohibitive. The result was that the expected volume of traffic did not develop.

What was the reason for this startling increase in the schedule for wheat?

That is why I want to ask the present Minister of Trade and Commerce, as I asked the previous government, for support for this proposal. I want to impress upon the government as well as upon hon. members from the maritime provinces and from Quebec, the fact that enormous sums of money have been spent in the construction of the trans-Canada highway, which expenditure is not coming to fruition for the reason that we do not get our fair share of freight haulage.

Let me read a few paragraphs from a resolution passed by the Cochrane board of trade only a few months ago with respect to freight matters:

Re: Freight Service

1. The straight line between Quebec and Winnipeg, with an excellent road-bed and minimum of curves and grades, favours rapid and economical haulage of heavy freight trains.

2. The junctions at Sioux Lookout, Nakina, Hearst, Cochrane, Taschereau, and Herve also support the contention that the National Transcontinental Railway should be put to greater use in cross-country freight haulage.

3. During the war, a huge quantity of freight was hauled over this line at a lower tonnage cost than any other transcontinental railroad.

4. The winter haulage of grain to Canadian Atlantic seaports can be accomplished more economically over this road.

5. The rapidity of development of northern Quebec and of northern Ontario is an assurance of increasing incoming and outgoing freight.

6. By using the old Grand Trunk line between Toronto and North Bay, and the Ontario government owned Temiskaming and Northern Ontario railway between North Bay and Cochrane, the National Transcontinental railway can handle the Toronto-Winnipeg freight to greater advantage.

7. The diversion of Canadian grain to American ships, railroads and elevators with resulting loss of wages to Canadian workmen should be prevented and the National Trans-

continental railway restored to its proper object of hauling western grain to Canadian Atlantic seaports and carrying eastern products and imports westwards.

8. Of the three transcontinental lines crossing Ontario; Canadian Pacific, Canadian Northern and National Transcontinental, the last is the more suitable for rapid and economical haulage and crosses the most populated, prosperous and promising agricultural, mining and timber districts, suitable for the establishment of one million more Canadian citizens.

A few moments ago the Minister of Railways gave the rates from the head of the lakes to St. John and Halifax via Montreal, and he mentioned Armstrong. Maritime members of this house should realize that this movement is not over the Transcontinental railway from Armstrong direct to the city of Quebec and on to Halifax; it is via a roundabout way, through the Ottawa valley, and because of this the distance covered is very much lengthened. This is an anomaly which should be remedied. At the present time I am apparently the only one directly interested in that section of the country, but I make this appeal to members from the maritimes and in fact to all members asking for their support.

Why was that road built? It is stated that it cost over $170,000,000, but to-day the rails are practically rusting from lack of through haulage. The road was never intended for local traffic. I remember as a young man working as a common labourer on that line, and we realized then that there would be very little local traffic. When this government granted a charter to the Grand Trunk Pacific Railway it was realized that the Transcontinental was to be used primarily for the hauling of cattle and grain to the Atlantic coast.

An hon. MEMBER: Carried.

Mr. BRADETTE: No, it is not carried. I hope the hon. member will allow me to go on, because this question is of vital importance to all Canada.

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

After Recess

The house resumed at eight o'clock.

RAILWAY ACT AMENDMENT

RAILWAY COMMISSION AND RATE STRUCTURE—SPECIAL COMMODITY RATES

Mr. THOMAS REID (New Westminster) moved the second reading of Bill No. 44, to amend the Railway Act.

Hon. R. J. MANION (Minister of Railways and Canals): Mr. Speaker, I am afraid I shall have to oppose this bill on principle because there are two or three ideas introduced which have not been observed in this country for many years. Section 1 of the bill adds the following words as subsection 2 of section 320 of the act:

> The board may consider the question of what should be reasonable compensation under the circumstances, and may establish a rate structure in the interests of trade development and public policy, though such experimental rates may not at the time or of themselves give reasonable compensation to the railway companies.

It is proposed by this section to give to the Board of Railway Commissioners a power which in the past has always been entirely in the hands of the government of the day, the power of developing trade and the formulation of general public policies. In other words, we would be permitting the Board of Railway Commissioners to take unto itself the matter of the trade of this country, which matter belongs to the government and to the Minister of Trade and Commerce. No government in the past has ever suggested that the formulation of such policies shall be put in the hands of an outside body. This objection in itself is sufficient to condemn the bill from the standpoint of any government, whether the present government or the one which preceded it. Section 2 of the bill reads as follows:

> Subsection five of section three hundred and twenty-five of the said act is amended by striking out the proviso thereto and substituting the following therefor:
>
> "Provided that, notwithstanding anything in this subsection contained, rates on grain and flour shall, on and from the twenty-seventh day of June, one thousand nine hundred and twenty-five, be governed by the provisions of the agreement made pursuant to chapter five of the statutes of Canada, 1897, but such rates shall apply to all such traffic moving from all points on all lines of railway west of Fort William to Fort William or Port Arthur,—

Then come the words suggested to be inserted:

> —and to all such traffic moving westwardly from Fort William, and from all points on all lines of railway west of Fort William, to Vancouver, British Columbia and to ports on the Pacific coast,—

And then follows the wording of the old section:

> —over all lines now or hereafter constructed by any company subject to the jurisdiction of parliament."

I suggest that that section means that rates shall be fixed without a hearing being given to the railway companies or to other inter-

ested parties. If I understand rightly, I think the intention is to put into force all the Crowsnest rates westward. The hon. member nods assent, so apparently I have interpreted correctly. This parliament has no facilities for the making of rates. I admit that in the past, I think it was 1897, parliament did by statute fix the Crowsnest rates, but that was done in agreement with the Canadian Pacific Railway Company and was in return for the fulfilment of certain conditions by that company. As a general rule parliament has always taken the attitude that it does not fix rates. I consider this to be the right attitude because parliament, constituted as it is, is not capable of going into such a complicated matter as the freight rate structure of this country. That question is perhaps the most complicated with which anyone has to deal, and early in the present century the Board of Railway Commissioners was constituted for the purpose of giving its full time to the study of the question. The board is the proper body to which to apply for such rate fixing as is covered by this bill.

Thus there are two principles invaded by this bill. The first is to hand over to the Board of Railway Commissioners the forming of the trade policy of the government, which is a matter purely within the jurisdiction of the government through the Department of Trade and Commerce. Secondly, the bill attempts to fix rates, something which has never before been attempted by the parliament of Canada in such a bill as this. Certainly rates should not be fixed without giving an opportunity to be heard not only to the consumer, to whom the hon. member referred, but to the railways themselves. The two principles involved in the second reading of this bill cannot be accepted, in fairness to the railways, in fairness to the people, and in fairness to the parliament of Canada itself.

There is at the present time a royal commission sitting in Canada, appointed to look into the whole transportation question. No one knows at the moment what the recommendations of that commission will be, and it is quite possible that it may offer suggestions which would alter the scope of this bill. In view of what I have pointed out, I suggest to my hon. friend in the friendliest way possible that he might be well advised to withdraw the bill for the present session and hold it over until the next session of parliament. It is possible and even probable that the next session may be called at a date earlier than has been the case in past years, and my hon. friend would not have to wait very long for an opportunity to bring in a bill which would comply with the points I have mentioned. I appeal to the hon. gentleman, in the spirit of fair play which I hope he will show in this regard, to let this bill stand over until next session. By that time he will have had time to look thoroughly into the question and to deal with it in such a way that the recognized principles of rate making which have been in existence in Canada for many years shall not be infringed.

Mr. A. W. NEILL (Comox-Alberni): Mr. Speaker, I am familiar only with the general principles of this bill. I cannot understand why a request should be made to defeat it on the grounds of fair play. I do not think the question of unfairness is involved in this bill; I submit that the unfairness has existed in connection with the rates prevailing on shipments to British Columbia. The Minister of Railways (Mr. Manion) has stated that this bill would give too much power to the railway board, and suggests that it is the duty of the government to deal with matters of this kind. If so the government has failed signally for some considerable time to fulfil its duty; I allude to the standing grievance of British Columbia in connection with the discrimination in the rates between grain for export and those for domestic consumption. Blame can be laid at the doors of both the present and past governments, the net result being that this discrimination has been in effect for something like six years. If now is not the time to take action, I do not know when it will be. It is suggested we should consider it between now and next fall. I submit that we have already had ample time in which to discuss it. If I am not mistaken, the hon. member who introduced the bill quoted the other day from the Duncan report, which specifically recommends the very phraseology which has been inserted in this bill, in one section at any rate. The Duncan report was very highly approved by very many people, and by far the greater part of its provisions have been carried into effect.

As regards fixing rates, which the minister deplores, he himself says there is precedent for that. He does not need to go so far back as the initiation of the Crowsnest pass rate, because it was renewed again in 1923 or 1924, and this bill seeks not to fix rates or make new ones, but only to authorize the railway board to extend the principle of the rates there suggested and carried out. He used the words "to fix rates." I would not say "to fix rates"; it is to equalize rates, only to make the rates westward the same as they are eastward on similar goods and under similar conditions.

He suggests that we should await the report of the royal commission. That commission is dealing with transportation in its broadest aspect and is extremely unlikely to make any specific recommendation regarding rates. Meanwhile we do not know when it will report or what the nature of the report will be, or anything else. But we have before us a gross outstanding grievance from which the people of British Columbia have suffered for quite a number of years. There is no reason why we should not put our hands to the plough to remedy it now; it is there and obvious, and apparently this is the proper method. The Duncan commission and other authorities have said that if we ever expect the Board of Railway Commissioners to give us that justice for which we ask in British Columbia, some language such as this will have to be inserted in the bill to give them the authority, because at the present time it is lacking. I think some members of the railway board, in the course of decisions rendered, indicated that their ruling would have to be adverse to our just desires and interests because of the lack of authority which they pointed out and which is, by this bill, sought to be given to them. I am surprised the bill has not had some active support, not only from western members whose interests are identical with ours in British Columbia, though coming from the other end of the journey so to speak, but also from other British Columbia members.

Mr. G. B. NICHOLSON (East Algoma): If the hon. member who has introduced the bill intends to press it, I desire to say a word with regard to it. I am opposed, first of all, to the whole principle of making special rates for the movement of commodities in any part of the country. General business in many parts suffers more than anything else from what has taken place in the last twenty years in making special rates for particular commodities in certain parts of the country. This bill in its general outline proposes to introduce what is known as the Crowsnest pass rates on all commodities moving westward from Fort William to the Pacific coast, leaving aside altogether the amendments which are proposed to section 320. It should, I think, be obvious to anyone who has given thought to the transportation problem of Canada that if the railways are to continue to operate, they must get somewhere a sufficient revenue to pay the bill. That revenue can be secured in just two ways, either by the people whose commodities are moving paying the cost of moving them, or by the general public paying through their general taxes for the movement of those commodities, At the present time, on one line of railways, the Canadian National, this payment is being made partly in one way and partly in another. The person who moves commodities or who travels on the Canadian National lines pays part of the cost of operation; the general public pays the balance, an amount that since the railway was taken over by the Canadian people has been approxiately $75,000,000 a year. As regards the Canadian Pacific, up to the present moment the people whose commodities are moving have paid the entire cost. If we are to get down to a sound business basis, the commodity that is being moved must pay the cost of moving it; but by such measures as the one now before the house the railway commission is virtually given instructions to make special rates on particular commodities in certain sections of the country. This means that if the railways are to secure sufficient income to pay wages and meet the cost of coal, oil and all manner of operating expenses, some other commodity in some other part of the country must carry the load. Without desiring to criticize what has been done in the past I may say that rates have been made—and perhaps rightly so; I am not at the moment going to dispute the principle—to favour special commodities in particular parts while other commodities in other parts must bear the burden. Within the last few minutes I have taken occasion to get the comparative rates on one particular commodity on western and eastern lines of Canadian railways. A British Columbia lumberman can now move a carload of lumber 1,200 miles for the same cost that an Ontario or Quebec or New Brunswick lumberman can move a carload of lumber 800 miles. If this bill is passed, then the Ontario, Quebec or New Brunswick lumberman will have to bear an additional cost or some other shipper of another commodity will have to bear it to equalize the loss of revenue involved in putting these rates into effect.

If I correctly understood the hon. member who introduced the bill, when he spoke on the first reading he indicated it was his judgment that reduced rates would increase the movement of traffic and the railroads would make more money. That may be quite true; I am not going to dispute it. It may be that the hon. member understands the incidence of railway earnings and what will increase them better than Sir Henry Thornton or Mr. E. W. Beatty or the traffic officers of the two railways, but I am somewhat doubtful and I maintain that before an enactment of this kind is passed, at least the traffic officers of

the railway commission should determine what the effect is going to be in that regard. Before any legislation is passed in the house creating special rates or conditions for any commodity in any part of the country, the whole rate structure should be recast on a basis that will be equitable to all commodities and to all parts of Canada. Special legislation creating particular rates for one commodity or one part of the country has, as I said a moment ago, bedevilled the whole rate structure and made it impossible for business to be conducted on an equitable basis. I am opposed in principle to a measure of this kind. Instead of removing discrimination, it can have no other effect than to increase it as between one commodity and another and one part of Canada and another.

On motion of Mr. Munn, the debate was adjourned.

SUPPLY

DEPARTMENT OF TRADE AND COMMERCE

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

The Canada Grain Act, including management, operation, maintenance and equipment of elevators, administration of, $2,400,000.

Mr. BRADETTE: Before the house rose at six o'clock I was pointing out the opportunity which the National Transcontinental railway affords for more direct communication from ocean to ocean and the need for a greater amount of traffic being routed over that road. It has been suggested that the reason we have not our proper share of through freight traffic for the transcontinental is found in physical conditions. Last summer I spent three weeks making an inquiry into this phase of the matter, and I should like to give to the committee the information I gathered in regard to the physical obstructions we have to face in our section of the country.

A very misleading and detrimental opinion seems to be that northern Ontario and northern Quebec suffer from unusual climatic conditions. As a matter of fact the temperatures in these parts compare favorably with much older and more settled parts of the country. The snowfall is invariably lighter, and although we sometimes experience lower temperatures, they are not constant, and the air being dry, the cold does not affect one nearly as much as a damper climate with higher temperatures.

The Timiskaming and Northern Ontario Railway and that portion of the Canadian National Railways known as the transcontinental have operated through northern Ontario and northern Quebec for some years and do not suffer traffic delays owing to climatic conditions. Trains Nos. 1 and 2 of the Canadian National Railways operated over these lines for the past twelve years with practically no delays chargeable to weather conditions, and maintained their schedules without difficulty.

Prior to the construction of the Nakina-Longlac cut-off, which connected the transcontinental railway with the former Canadian Northern Railway, that portion of the Canadian National railway stretching from Winnipeg to Quebec city, some 1,300 miles, enjoyed a period of prosperity and showed a profit over and above operating costs of approximately forty cents on the dollar. Owing to the extremely low grades and slight curvatures through this portion of the country, heavy tonnage and long freight trains make for profitable operation. Solid trains of stock were moved over this line in trains of seventy-five cars and at a speed which saved the expense of unloading and feeding once between Winnipeg and Montreal, which in itself means much in shrinkage and expense to shippers when one considers there are twenty-five to thirty head of stock per car.

Grain was moved over the transcontinental line at a rate of eleven cents per hundredweight and moved at a profit, on account of these favourable conditions.

In comparison with the grades on the Canadian Pacific railway, Algoma district, across the same portion of the country, although much further south and through hillier territory, the same class of engines actually handle only one-third the tonnage handled by the same power over the transcontinental line.

Since the building of the Longlac-Nakina cut-off the portion of the transcontinental between Nakina and Quebec has existed on purely local traffic, made up of pulpwood, construction material and manufacturing materials such as sulphur, coal, lime, and so forth, for the manufacturing plants located along this line, and even under these conditions the road operates at a profit, although a reduced one.

The Transcona elevator, originally built to clean grain and supply the transcontinental line with traffic has never been used to any extent. It would avoid moving the grain to the lake head for cleaning and give the western shippers a shorter route to the ocean ports, a saving in tonnage which would benefit the east as well as the west.

I well remember seventeen years ago the big celebration we had in Cochrane when the first national transcontinental train came in from Toronto. At that time we visualized through passenger and freight traffic going over that transcontinental section of the line, but we have been sadly disillusioned. We have not got that traffic, for reasons which are unknown to the people of northern Ontario, unless it is discriminatory rates. I listened with a good deal of attention to the Minister of Trade and Commerce this afternoon stating that the government has absolutely nothing to do with the routing of the grain. I appreciate that, nevertheless we feel that if there had not been a discriminatory rate against the transcontinental route from Winnipeg to Quebec city and the maritime provinces we would have received a fair share of the through traffic during the last fifteen years. It has been mentioned this afternoon by members from the maritime provinces that at a certain period during the construction of the Grand Trunk Pacific the whole project was jeopardized on account of the fact that the grades had been tampered with, or that they were not being built up to the highest standard possible from ocean to ocean. That condition does not apply on the transcontinental section from Winnipeg to Quebec, because luckily most of that construction was done under the régime of Sir Wilfrid Laurier. I should like to read a clipping from the Halifax Mail which I think is well worthy of the attention of the house. Under the heading "A forgotten Railway," this paper says:

Discussing the memorial of the Cochrane (Ontario) Board of Trade ("vigorously seconded" by the maritime provinces), the Winnipeg Free Press has some pointed comment to make on "a forgotten railway policy."

The CHAIRMAN (Mr. Stirling): I would remind the hon. gentleman that we are discussing the administration of the Canada Grain Act.

Mr. BRADETTE: With all due respect to you, Mr. Chairman, I submit that my remarks are no more out of order than many of the speeches we heard this afternoon. In fact, the hon. member for York-Sunbury left the chair for a while to make just the same kind of speech that I am making now. I believe the minister will support me in that. I shall not delay the committee very long.

The CHAIRMAN (Mr. Stirling): The hon. member will please come to his point.

Mr. BRADETTE: My point, Mr. Chairman, is that the transcontinental is not being given a fair share of the through grain traffic from Winnipeg to Quebec and the maritime provinces. I will continue with the quotation:

The Cochrane memorial, it will be recalled, urges the use of the Transcontinental railway for the purposes for which it was constructed, and the Free Press notes that "in these pleas there is embodied an argument from an almost forgotten past." It adds: "All that has been said by the Cochrane memorial and the spokesmen for maritime interests is true."

The Winnipeg paper points out that the national transcontinental gives the most direct communication between the west and Quebec and the maritime provinces. It has "an excellent roadbed with curves and grades planned for the economical haulage of freight. Moreover, the roadbed was built at a vast cost for the express purpose of carrying freight, especially wheat, from the west to the sea under exceptionally favourable conditions."

The Free Press concludes its editorial comment on this subject as follows:

"Having regard to the use to which the road has been put, it can only be assumed that this railway was built by the country in a fit of absent-mindedness. Before the road was finished, the country forgot what it was all about; and not only has no effort been made to put it to the purpose for which it was built, but difficulties in the way of permitting it being applied to these purposes have been encouraged."

"Looking back twenty-five years or fifty, it is clear that the railway scheme, with which the people appeared so fascinated in 1904, has thus far been disastrous to the country. It is a very large contributing factor to the existing railway trouble. But whether the responsibility for the failure rests upon the government which planned and built the road, or upon the governments which have been in power since the road was completed, is very much an open question. Either the Laurier government, which built the road, did not know what it was doing, or the governments to which have fallen the task of seeing that the road should do the work for which it was supposed to be built, have been sadly lacking in vision and enterprise."

I now make an urgent appeal to the government to permit us to get our fair share of this through traffic on another score. During the last eighteen months most of the men working on the transcontinental from Winnipeg to Quebec have been taken off, and only yesterday I received a letter saying that more men were being thrown out of work. A proper routing of our grain coming east would mean more employment in my section of the country. This I believe is sufficient reason for putting the facts before the house; I hope hon. members will be familiar with the situation. If no grain were going through American ports it would be entirely different, but I have in my hand a record showing that almost fifty per cent of our grain passes through American ports. There must be an anomaly somewhere, and the house should enter into a thorough discussion of the matter and endeavour to

supply a remedy. The people of Canada who are not familiar with railroad matters and with matters of commerce are asking questions. They do not know why it is not possible to direct some of the traffic over the Grand Trunk Pacific or the Canadian National.

To make my point clear, and to be as brief as possible, I shall read to the house some of the reasons why in my section of the country there is dissatisfaction. I have before me an editorial from the Cochrane Northland Post, which I have no doubt will give food for thought to some hon. members in this house. It is as follows:

Any really satisfactory solution of this gigantic problem must necessarily include two features; the utilizing of the lowest haulage-cost sections to their full capacity, and an increase in freight traffic. Other features such as mutually advantageous cooperation between the two great railway systems will have their place in the solution, but these two are of paramount importance.

In dealing with the matter of increased freight traffic, it may, at first, seem illogical to speak of increasing freight traffic in a wide spread country such as Canada with its just a trifle more than 10,000,000 people. But in the year 1930, according to Colonel C. E. Phinney, President of the Halifax Harbour Commissioners, "Canadian grain moving eastward for export during the past year (1930) has been handled through the following channels:

Via Canadian ports—47,300,000 bushels.

Via United States ports—67,700,000 bushels."

And speaking at Halifax last October, Colonel Phinney quoted an editorial indicating that "transportation of 1,000,000 bushels of grain over the National Transcontinental to an Atlantic port would cause the expenditure of $53,000 for labour and $10,000 for fuel."

Thus, if, in 1930, the 67 million bushels of grain which was exported via the United States had been shipped over the National Transcontinental line over 38 millions of dollars more would have been paid to Canadian workers. Why should this money, so greatly needed by our own workers, be paid into the pockets of workers across the border? The continuation of such a situation is inimical to the welfare of the country and intolerable to the pride of the people of Canada. And that there has been no effort made to remedy this disgraceful state of affairs is shown by the fact that in August and September of 1931 (the first two months of the 1931-32 crop year), wheat shipments of Canadian grain to the United Kingdom left Canada as follows:

Via Canadian Atlantic ports—2,781,810 bushels.

Via Canadian Pacific ports—2,454,455 bushels.

Via United States ports—11,796,785 bushels.

or over twice as much Canadian grain was exported through American channels as through Canadian channels. Such a condition must be irritating in the extreme to Canadian railway and port workers on short time and many without work at all. If it requires a royal commission to right wrongs such as this, surely it is about time that we had new administration for our railways.

[Mr. Bradette.]

There can be no excuse, no justification for this execrable wrong to Canadian ports and Canadian workers. The Dominion government by act of parliament, decreed in the N.T.R. Act:

"The through rate on traffic from the point of origin to the point of destination shall at no time be greater via Canadian ports than via United States ports." In his Halifax speech above referred to Colonel Phinney said:

"The railway built to carry this grain" (Colonel Phinney was referring to the National Transcontinental), "has cost us $330,000,000, and I say we should not sit down and do nothing about it while deficits pile up year after year, on a railway for which we have paid and are still paying, and which is not being operated.

"Isn't it better, for example, to lose a sum of money each year on the railway and have it in operation, than to lose the same sum and not have it in operation? The traffic this road could carry is going through American ports and over American railways, and I ask if it would not be better business to go over our own lines and through our own ports."

When the Canadian railways were caught in the act of transporting Russian pulp to American markets, which was directly competing with our own Canadian product, they offered the excuse that they needed the traffic, and yet here is a vast amount of home grown traffic slipping through their hands into American channels. To paraphrase the song, Do you call this Canadianism?

We believe that the majority of Canadians are whole heartedly behind the Canadian National railways. We all, or nearly all of us, have faith in it and believe that it will succeed."

Some hon. MEMBERS: Oh, oh.

Mr. BRADETTE: I think hon. members should be more respectful. I have spoken very little this session and I submit I should be allowed to state the case for northern Ontario. Hon. members have spoken on behalf of the maritime provinces, and I intend to speak for northern Ontario. I may take a half hour more. The article continues.

But it must be operated for the benefit of the Canadian people. Here in the National Transcontinental line, we have a railroad designed and built to carry heavy trains with a minimum of motive power, a line over which western grain can be hauled to Atlantic ports cheaper than over any other line. In the name of common sense, why is this line not used for the purpose for which it was designed and built? Why is Canadian grown grain, which could be transported over this line cheaper than over any other line, diverted to American channels with the consequent loss to Canadian railways and to Canadian workers?

This matter is not just a local one. It affects Canada as a whole. When Canadian workers are deprived of earnings to the extent of over 38 millions of dollars in one year, it is the concern of all Canada. When traffic, which could be economically handled over a railway line built

and paid for by the Canadian public, is diverted to foreign channels, the people of Canada have a right to ask why.

What are the railway heads going to do about this? What about our members of parliament?

From the discussion which has taken place to-day it would seem that the maritime provinces, the province of Quebec and northern Ontario are very much interested. To-day a condition exists along the Transcontinental railway from Quebec to Winnipeg wherein thousands of men who were working on the railroad for the last eighteen years have been thrown out of employment. When they read articles such as this disclosing the fact that fifty per cent of our grain production reaches American ports, dissatisfaction must arise in their minds. In my view it is only right and proper that the matter should be discussed on the floor of the House of Commons.

I said at the beginning of my remarks that I did not intend to discuss the matter from a political standpoint, but rather to bring it before the house merely as a condition which must be faced. I greatly appreciated the statements by the Minister of Trade and Commerce, and I feel sure he will do his utmost to arrive at a solution. I listened with equal interest to the remarks of the ex-Minister of Trade and Commerce, who said that the situation was both delicate and intricate. At the same time I maintain Canada should do all in its power to obtain its share of the through traffic.

At this point I should like to read a letter from the Telegraph-Journal and the Evening Times-Globe of St. John, New Brunswick. This letter is dated April 6, 1932 and is as follows:

Dear Sir:

The United States Department of Commerce recently announced that on the average 49 per cent or approximately one-half of Canada's wheat and flour export trade has been handled through United States ports during the last six years.

Practically no wheat has passed through eastern Canadian ports during the last winter season, and our information is that during the summer months almost the entire Canadian crop routed east went to Buffalo.

We beg to draw your attention to the enclosed editorial, published to-day in the Telegraph-Journal and the Evening Times-Globe and to urge upon you the gravity of this situation.

We feel that you, in your public capacity, can strike a blow for the people whom you represent in parliament by standing for the formulation of and strict adherence to a national transportation policy which will divert this valuable trade stream from foreign channels to Canadian railways and Canadian ports, and thus give much needed employment to thousands of Canadian citizens.

The people of Canada are being urged continuously to buy Canadian goods, and thereby employ Canadian labour. In our judgment, Canadian labour includes Canadian railway men and Canadian port workers as fully as it concerns itself with the employees of manufacturing plants.

We feel that men in public life can render no greater service to our country at the present time than by doing their utmost to correct this most unpatriotic and uneconomic condition of affairs.

Yours very truly,

F. X. Jennings,
Acting Editor-in-Chief.

This letter pictures the situation existing with regard to our national railways. I hope the Minister of Trade and Commerce will do his utmost to have his department solve this problem, and, if that is not possible, then some other department, the Railway department for example, should, in my opinion, take steps to meet the situation, so that we shall receive justice in the maritime provinces and also in Ontario. I trust that we shall receive the quota of traffic to which we are entitled, and in that way the situation, which is becoming graver and graver, will be remedied.

I mentioned a short while ago that only yesterday I received a letter from a clergyman of Cochrane deploring the fact that even now, after having been in suspense for several months, employees of the Canadian National Railways who have been in their service fifteen and eighteen years are being laid off—carmen, trainmen, and various other men employed on the road. I repeat that if we were getting our fair share of freight transportation over the Transcontinental from Winnipeg to Quebec there would be no railroad unemployment in our section of the country. I sincerely hope that the government will find some solution for this problem. We talk of national policies in this country; a good deal is said about the "Canada first" policy. Well, I submit to the minister that this should be one of the first principles to apply to the railways and our harbour facilities, namely, that we should receive that fair quota of transportation to which we are entitled.

Mr. VALLANCE: Is the grain standards board considered to be under the control of the grain commission?

Mr. STEVENS: No. The grain standards board is organized under the provisions of the Canada Grain Act. The chairman of the Board of Grain Commissioners is, I believe, by virtue of his office, chairman of the grain

standards board, and of course the individuals who constitute the grain standards board are appointed under statute. They discharge their duties under powers and instructions laid down therein.

Mr. DONNELLY: This item shows a reduction of $331,000. Last year, as we all remember, there was a very small crop and the number of inspectors and graders would not be as large as in an ordinary year. How is the decrease accounted for this year? Does the government anticipate a smaller crop than last year's and fewer employees? In other words, what is the explanation of this reduction?

Mr. STEVENS: Included in last year's were the wheat bonus and a substantial portion, if not all, of the cost of the Stamp commission.

Mr. VALLANCE: Just administration?

Mr. STEVENS: Yes.

Mr. DONNELLY: Do the employees working for the government under this act come under the ten per cent reduction the same as other employees?

Mr. STEVENS: Yes.

Mr. GARDINER: The members of the board too?

Mr. STEVENS: Yes.

Mr. McPHEE: In connection with the wheat bonus, will the minister say who printed the three million cheques?

Mr. STEVENS: Bulman Brothers, of Winnipeg.

Mr. McPHEE: Were tenders called for the printing of the cheques? If not, why not?

Mr. STEVENS: There was no time. The matter was urgent and was rushed by the Board of Grain Commissioners, upon whom was laid the very difficult and complex task which it involved. The board organized it, and, I think, organized it very well. They have handled some three million cheques during the season, up to the present time, for the matter is not yet completed. As I say, there was no time to be lost; a month or any long period could not have been allowed to elapse so as to call for tenders. Bulman Brothers are looked upon as very efficient printers, and in the judgment of the board they discharged this task in the best manner possible.

Mr. McPHEE: How much money was paid?

[Mr. Stevens.]

Mr. STEVENS: The total paid to Bulman Brothers for the printing of the various forms was $40,000.

Mr. GARDINER: Did the board order these cheques?

Mr. STEVENS: Yes.

Mr. GARDINER: Not the government?

Mr. STEVENS: No; the board did absolutely all the work. Instead of setting up a new organization we simply seconded the Board of Grain Commissioners in carrying on the work.

Mr. BEAUBIEN: Was there any political motive—

Mr. STEVENS: Certainly not.

Mr. BEAUBIEN: Just a minute; the minister does not know yet what my question is going to be.

Mr. STEVENS: I know what is coming.

Mr. BEAUBIEN: Was there any political motive in having the Prime Minister's name printed in black on the cheques?

Mr. STEVENS: We all thought black was the most becoming colour instead of red for the Prime Minister's name. I can assure the hon. gentleman that there was no political motive in it at all. It was very well organized and the Prime Minister was concerned in it as Minister of Finance. If it were this year it would be the present Minister of Finance. The name was that of the minister who was responsible for the payment of the cheque.

Mr. BEAUBIEN: Does the hon. gentleman think the present Minister of Finance would insist on having his name printed on the cheque?

Mr. STEVENS: I do not think he could escape it.

Mr. TOTZKE: Was the $40,000 paid for the printing of cheques and forms included in the cost of administration?

Mr. STEVENS: Yes.

Mr. VALLANCE: The minister says that this decrease of $331,000 is due to the administration of the five cent bonus.

Mr. STEVENS: No, plus—

Mr. VALLANCE: I have in my hand the estimates of 1931-32—

Mr. STEVENS: The hon. gentleman misunderstood me. I said the Stamp commission, the five cent bonus and the ten per cent cut.

Mr. VALLANCE: That makes it worse, because I find that in the estimates of 1931-32, which was last year, we voted $2,681,000 and the year before, 1930-31, $2,884,049. There was no administration of the five cent bonus in that year, nor was there any Stamp commission, so there must have been some other reason for the decrease. There was a decrease last year, compared with the year before, of $203,048, and this year a decrease of $331,000.

Mr. STEVENS: I pointed out the other night that in addition to the cut in salaries and wages, and in addition to the two other items I have just mentioned, we have this year cut out construction work practically altogether. None is required, so far as we can see, and there is included no construction work, which accounts for a considerable sum. These are the four main reasons for the reduction, and as far as we possibly can we are insiting on every economy that can be at all secured.

Mr. VALLANCE: How many employees are under the control of the Board of Grain Commissioners, and what salaries are paid?

Mr. STEVENS: The number of employees is about 930.

Mr. VALLANCE: Permanent?

Mr. STEVENS: The salaries for this year are estimated at $1,908,000 and the number of employees is 847, with the temporary employees varying from about 380 to 400.

Mr. VALLANCE: How many of those appointments come under the Civil Service Commission?

Mr. STEVENS: All but the temporary appointments.

Mr. DONNELLY: The minister said it took $40,000 to print the literature in connection with the distribution of the five cent bonus. I should like to know what other matter was printed in addition to the cheques, if there was anything else, or whether this $40,000 was paid for the cheques only.

Mr. STEVENS: There were some other forms, receipts and so on. There were certain agencies through whom reports of deliveries of grain were made. Every licensed elevator, every warehouseman and so on—my hon. friend knows better than I do the type of person licensed under the Canada Grain Act—made reports of grain delivered to the Board of Grain Commissioners, and to each such licensed agent certain forms were supplied. All that printing, and a good deal of other printing, came out of the $40,000, which covered all the printing necessary to carry out the work.

Mr. BEAUBIEN: Is it the usual practice in making payments by cheque to have the name of the Minister of Finance, or any other minister, on the cheque?

Mr. STEVENS: I suppose my hon. friend refers to departmental payments.

Mr. BEAUBIEN: Or any other payments.

Mr. STEVENS: In the payment of ordinary government departmental accounts it is not customary, but I do not recall a parallel to this particular instance. These cheques were sent out to individual farmers all over the country; there had to be some authority indicated on the cheques, and no authority other than the Minister of Finance of this government could have been indicated.

Mr. GARDINER: That would be a guarantee of payment, would it not?

Mr. STEVENS: Certainly.

Mr. BEAUBIEN: I understand that cheques issued by the Department of Finance are generally signed by the accountant and not by the minister himself. That is why I asked if there was any political significance in this case. Of course if the government are prepared to renew the bonus and to increase it in order to compensate the farmer for the very heavy burden being placed upon his shoulders by their arbitrary way of handling the tariff, the people might like to get another cheque signed by the Prime Minister so it could be framed. Is the minister in a position to tell us now if the government will continue the bonus for the crop year 1932-33?

Mr. STEVENS: First may I say that these cheques were not issued to be framed; they were issued to provide cash for the individuals receiving them.

Mr. BEAUBIEN: Many farmers took photographs of those cheques just to get the name.

Mr. STEVENS: I am very glad of that, because undoubtedly it was a red letter day for the farmers. Of course any announcement of the decision of the government in connection with such matters as the bonus will have to be made by the Prime Minister.

Mr. BEAUBIEN: Just in case the members of the government have not come to a decision with regard to the bonus, I should

like to make certain representations now to the government and to the minister himself, because I know he will deal with this matter in conference with his colleagues. If the government intend to grant the bonus for the crop year 1932-33, I would ask them to consider the barley grower. The minister is aware of the fact—and if he is not, the commissioner sitting in front of him can tell him—that in many districts in Manitoba we have gone into the production of barley, for economic reasons. My information, which I think is fairly accurate, is that fifty per cent of the barley produced in Canada is grown in Manitoba. Many farmers cannot successively grow wheat there because of rust, so if the government contemplate continuing the bonus I ask them to consider the barley grower, who is as much entitled to the bonus as the wheat grower.

May I make another suggestion to the minister. This morning I received a letter from home stating that eggs are being sold for five cents a dozen and butter is being almost given away. Would the minister take up with his colleagues the advisability of giving a bonus on eggs and butter in order to compensate the farmers for the excessive taxes imposed by the tariff?

Mr. GERSHAW: I should like to ask the minister whether he contemplates establishing any more inspection points in the west. A number of men connected with the grain trade in Medicine Hat feel that they are operating at a great disadvantage because that is not an inspection point. They made strong representations to the chairman of the grain commission, and I was wondering if any progress has been made or if the question has been further considered.

Mr. STEVENS: Speaking for the government, of course with the advice of the Board of Grain Commissioners, I may say that the matter has been considered but it is not thought that further inspection points are desirable or necessary. There is Moose Jaw and Calgary, and I have no doubt my hon. friend has in mind Medicine Hat as well, in connection with which representations have been made, but it is not thought necessary to go to the additional expense of establishing other inspection points.

Sir EUGENE FISET: I am rather curious about those cheques. I wonder if the minister will be kind enough to explain how they were prepared and by whose authority the printed signature of the Minister of Finance appeared on them. The minister knows as well as I do that in the ordinary departmental routine cheques are usually countersigned by the accountant and signed by the deputy minister or whatever other official has been given authority by order in council to sign them. There is no law authorizing a minister of the crown to sign a departmental or other cheque unless such authority has been given by order in council, so I would ask the minister if a special order in council was passed authorizing the Minister of Finance to sign those cheques. This is a most extraordinary procedure; really I do not understand it.

Mr. STEVENS: I think my hon. friend will see the difference between this case and the ordinary signing of departmental cheques when I tell him these really were not cheques at all. They were certificates; on those certificates there had to appear some authority, and that was the authority of the Minister of Finance, who was proceeding under the act.

Sir EUGENE FISET: Was a special order in council passed authorizing that procedure?

Mr. STEVENS: No. I think not. The certificate was payable by the Dominion government, but by arrangement, the certificates were recognized and paid by the banks.

Sir EUGENE FISET: I think the minister will admit that the ordinary procedure in such a case would have been to have the cheques signed by the deputy minister and not by the minister. It is the most extraordinary thing I have ever heard of, and I have had a certain amount of experience in these matters. It is stated that these were certificates and not cheques, but they were cheques to the extent that they could be exchanged, and unless a special order in council was passed authorizing the Minister of Finance to take such action they should have been signed by the deputy minister.

Mr. GARDINER: What was the revenue and expenditure last year in connection with government elevators?

Mr. STEVENS: For the crop year 1930-31 the receipts were $949,409, the expenditures $425,441, leaving a surplus of $523,968.

Mr. GARDINER: How many additional inspectors have been employed because of the amendments to the act?

Mr. STEVENS: At the time the act was amended it was thought that quite a number of new inspectors would be required, but I think it will be recalled that we reported last year that up to that time—this is now confirmed by our experience of the past year—practically no more inspectors would be

necessary. It will be recalled that additional services were included in the amendment such as the registration and supervision of binning, the settlement of claims and the appointment of an assistant commissioner. These are the new services rendered but no additional inspectors have been required.

Mr. GARDINER: With the exception of the assistant commissioner?

Mr. STEVENS: Yes.

Mr. GARDINER: Was there any increase in the staff because of the inspection of binning?

Mr. STEVENS: No additional staff was required, it was a sort of adjustment of the duties of the existing staff.

Mr. GARDINER: There will be no extra expense attached to the new provisions with regard to inspection?

Mr. STEVENS: Not as regards inspection in the ordinary sense.

Mr. GARDINER: How much wheat was handled at the terminals at Prescott and Kingston, and are these elevators under the control of the Board of Grain Commissioners?

Mr. STEVENS: The elevator at Prescott is under the Department of Railways, and I understand the one at Kingston is controlled by the Canada Steamships line.

Mr. GARDINER: That would come under the control of the board?

Mr. STEVENS: It is licensed as a public elevator.

Mr. McPHEE: Reverting to the $40,000 paid by the government as a political favour to the firm in Winnipeg for the printing of these cheques; this matter becomes more colossal on referring to item 294 at page 64 of the estimates. This is an item under trade and commerce and covers printing of parliament and departmental publications, including the Canada Year Book, and the amount is $126,750. Forty thousand dollars of the taxpayers' money has been paid to this firm in Winnipeg without a tender being called for. Without delaying this item too long, I should like the minister to tell the committee on whose authority Bulman Brothers were asked to print these cheques, I should also like to know what other printing is included in this amount, and what the cost was for the cheques alone.

Mr. STEVENS: Any suspicions which my hon. friend has of political favouritism are not well founded. This is precisely what happened. When the act was finally passed and the house rose about the first week in August, it was necessary that some organization should be rapidly got together to deal with this situation. After consideration the government decided to impose this duty upon the Board of Grain Commissioners. The task was assigned to them, and they accepted with one consideration, that they should be given carte blanche in administration and as to where and how they were to get the supplies required. They were given carte blanche, no one dictated to them, and I am informed by the chairman of the board that this printing was given to Bulman Brothers on his own initiative because he considered them to be the firm who could give the best service in the shortest time in connection with an important order which had to be gotten out as quickly as possible.

I say quite gladly to my hon. friend that the organizing of the staff to handle this task and the manner in which it has been carried out during the past year is a credit to the staff and to the Board of Grain Commissioners. As far as I am concerned, I take no credit either to myself or to my department; we had nothing to do with it. Everything has run so smoothly that up to date I do not think there has been one complaint. The Board of Grain Commissioners handled everything; no questions were asked until they produced their account. I think the whole thing was wisely and economically done.

Mr. BEAUBIEN: Did the suggestion that the name of the Prime Minister should appear on these cheques come from the genial chairman of the board?

Mr. STEVENS: It was a certificate from the government of Canada to the farmer and it had to bear some recognized signature which would be accepted by the banks. The name of the Minister of Finance was decided upon, and I have no hesitancy in saying that it was the proper thing to do.

Mr. BEAUBIEN: I never heard of a bank accepting a printed signature on a cheque.

Mr. STEVENS: The cheque was countersigned by the authority by whom it was issued.

Mr. BEAUBIEN: Has the minister one of those cheques available?

Mr. STEVENS: No, I have not.

Mr. BEAUBIEN: I should like to see one.

Mr. STEVENS: I imagine I could have one photographed for the hon. gentleman.

Mr. BEAUBIEN: I should like to have one so that I could frame it and show it through my constituency. The electors would then have the Prime Minister's name in front of them for the rest of their lives and could think of the promises he made in 1930.

Mr. STEVENS: I would not mind having a limited number framed for the hon. gentleman.

Mr. BEAUBIEN: Have the amounts filled in and let the Prime Minister sign them.

Mr. LUCAS: Does the minister know of any farmer refusing to accept one of the cheques?

Mr. STEVENS: We have no evidence to that effect.

Mr. REID: Is the grain for export through Vancouver tested for moisture? I have in mind certain instances where disputes have arisen as to the moisture content.

Mr. STEVENS: It is not uncommon to have disputes arise, and at times reinspection of grain is made at Vancouver. These inspections are made according to law and precisely the same as they are made at all other inspection points.

Mr. REID: Is the grain tested for moisture?

Mr. STEVENS: Most certainly.

Mr. DONNELLY: I noticed an article in the press this morning giving the quantity of wheat that was going to be in store next August. How much wheat is there in store at the present time as compared with last year? Is it more or about the same?

Mr. STEVENS: A day or two ago I had a statement up to date, but I am sorry I do not have it under my hand. I think what my hon. friend refers to was a statement published recently by the Bureau of Statistics based upon the regular monthly reports of all elevators, and so forth. Speaking from memory, I think the quantity in store is around 230,000,000 bushels, which is materially less than it was at the same time a year ago.

Mr. DONNELLY: Is the minister referring to Canada alone, or to the world?

Mr. STEVENS: I am referring to Canada.

Mr. DONNELLY: In Canada alone what is the carry-over of wheat from last year?

[Mr. Stevens.]

Mr. STEVENS: The chairman of the Board of Grain Commissioners tells me the quantity at the present time is around 186,000,000 bushels.

Mr. DONNELLY: What was it at this time last year?

Mr. STEVENS: Some figure not far from that, I believe.

Mr. DONNELLY: That is just the point I am referring to. I saw an article in the Ottawa Journal, I think it was, stating that on August 1 or September 1 of this year we were going to have a very small carry-over. We were told the same thing last year, but when September 1 came, we found it was more than before. This year, although we have had only half a crop in Canada, we have not been able to get rid of it because there was a bigger carry-over than there was the previous year. I should like to know the prospect of having a small carry-over this year. As regards all these guesses, there seems to be something we know nothing about looming up on the horizon. Last fall the Minister of Agriculture ran short of political fodder, or whatever you choose to call it, so he went down to the maritimes and told them the price of grain would be eighty cents a bushel and all our troubles would be over. I am sorry, however, to say that it never reached eighty cents a bushel. On that occasion he was simply prophesying; he must have been short of political ammunition. I suppose in a few days the Minister of Mines will go somewhere else and tell the people what Noranda or some of the other copper mines will do. My hon. friends opposite are a little short of political ammunition when they start prophesying what the market, particularly the grain market, will do. My experience of prophesying about the grain market is that it is a dangerous thing to do. I expected last fall would be a sucker market and it proved to be so, to catch those who wanted to try, to make some more money.

Mr. BEAUBIEN: Was that your experience?

Mr. DONNELLY: Yes. What is the duty at present against our wheat in Germany, France and Italy?

Mr. STEVENS: I have to speak from memory and I am afraid I shall take some chances in doing so. The duty in European countries fluctuates quite frequently. The German duty is, I think—and I speak with some hesitation—around a dollar a bushel. It

is very high. I believe the highest rate is $1.50, and we get the secondary rate, which is a dollar a bushel. The French duty is something less than that, but I am afraid I cannot give it offhand.

Mr. VALLANCE: If we bear in mind that during the war the western Canadian wheat grower was the only individual in Canada the price of whose product was controlled—and it was controlled to allow the allies to buy the wheat at a much cheaper rate than that at which they otherwise could have bought it—has any effort been made by the government to break down that barrier against Canadian wheat entering those countries?

Mr. STEVENS: We are continuously making efforts, but I would invite hon. members' attention to the fact that in the last five years, or possibly a little longer, there has grown up in Europe an entirely new attitude toward imported wheat. The quota system has for its object definitely and distinctly the promotion of an increase in production of wheat in countries such as France, Germany, Spain, Italy, and one or two others. Eastward from that you get into the exporting countries, but the chief importing nations have imposed a definite and effective quota system with the deliberate intention of increasing the production of wheat in their own territory. The rates of duty are very high and the result has been to increase the production of wheat in those areas and also of rye in some places. But we have been constantly in touch with the situation, and are doing everything possible to increase the sale of our wheat.

Mr. VALLANCE: Have there been any results?

Mr. STEVENS: I think so.

Mr. BEAUBIEN: Did I understand the minister to say there was a surplus of $500,000 in the operation of the Grain Act?

Mr. STEVENS: The elevators.

Mr. BEAUBIEN: Do I understand the farmers pay all the cost of the operation of the Grain Act?

Mr. STEVENS: No, there was a deficit in the last two years.

Mr. BEAUBIEN: Is it very large?

Mr. STEVENS: In 1930-31 there was a net deficit of $241,149.

Mr. YOUNG: Last year the government gave a guarantee of a minimum price of wheat. Has the minister any statement to make to the committee as to how the government stands now as a result of that guarantee?

Mr. STEVENS: There was no government guarantee of the price of wheat. My hon. friend is perhaps giving a wrong impression.

Mr. YOUNG: We had the impression the government guaranteed the price would not fall below a certain point. Did it not do so?

Mr. STEVENS: My hon. friend is thinking of the arrangement with the pools. The government stood behind the pools so that in the absence of the pools' assets, which, as my hon. friend knows, were tied up by the indebtedness of the pools to the three prairie provinces, the banks could make the usual advances, but there was no guarantee by the government of the price of wheat. I believe the government's action enabled the pools to pay a larger fixed or initial price than otherwise would have been possible. If it had not been for the assistance rendered by the government to the banks, the pools would not have been able to pay an initial price at all.

Mr. YOUNG: As I understand the matter, the government's action enabled the pools to pay a certain initial price. As a result of the guarantee that the banks would not lose anything by allowing the pools to pay that price, what is the government's position to-day in that regard?

Mr. STEVENS: Financially?

Mr. YOUNG: Yes.

Mr. STEVENS: Not a cent has been called for from the government.

Mr. YOUNG: Is there any possibility of its being called upon to pay anything?

Mr. STEVENS: No. The result was very satisfactory.

Mr. DONNELLY: Last year the agriculture committee asked certain witnesses to come down from Winnipeg and testify, one of whom was Mr. James Richardson, of James Richardson & Sons, Winnipeg, who testified that unless the government or some individual got under the grain prices and propped them up—that was his expression, I think—prices were liable to fall to a very low level during the month of October when the grain was coming on the market. He advised that the government either do it itself or authorize someone else to put a prop under the market. Were any government funds used for that purpose, or was anyone authorized by the government to put a prop under the grain prices? Was anything done to hold up the prices in the grain market last year?

Mr. STEVENS: Of course I am not responsible for anything Mr. Richardson may have said before the agriculture committee, and I do not know just what he had in mind. The only prop the government put under grain prices was the one to which we have just referred, that is assisting the pools in the financing of their portion of the crop. There is this point, however, to bear in mind, that during the past year grain prices have oscillated less than normally; they have been on a fairly even keel. Prices have been low, it is true, but they have not largely fluctuated. So what Mr. Richardson predicted did not occur.

Mr. DONNELLY: It is common street talk all over western Canada that the pool, or the officials of the pool with governmental money, have sustained the market at the present level. I do not know if there is anything in that, and it was to try to get that information from the minister that I asked the question.

Mr. STEVENS: Unquestionably if it had not been for the action of the government in the crop year before this, and in the past crop year, there would have been serious difficulties for the pool, for the selling agency which sold for all three pools in the previous crop year, and last year for the three separate pools. It will be recalled that Mr. John McFarland was called in and took charge of the selling agency of the pool, as it was called, and it was through his efforts in wisely administering a very difficult task that that particular job was successfully carried through. Last year, as I say, it was done through the separate pools, and the action of the government undoubtedly steadied the thing down. Had we not done what we did, that is, given our guarantee to the banks, what would have happened is this: The pools, being without assets—their assets having been hypothecated against the indebtedness of the previous years—would have been unable to make the initial payment, in which case the members of the pool would have probably sold their wheat wherever they could have done so, and a condition of panic might have ensued. But through the cooperation and coordinated effort of the government, the banks and the pools themselves, the whole market was held steady.

Mr. VALLANCE: In view of the fact that the government guaranteed the banks against loss from the pool on the understanding that John I. McFarland take over the managership of that selling agency—am I correct in that statement?

[Mr. Donnelly.]

Mr. STEVENS: I do not think we can say that.

Mr. VALLANCE: The Prime Minister said so.

Mr. STEVENS: No. My hon. friend is leaving the impression that the government dictated that Mr. McFarland be the manager. I am not in a position to confirm my hon. friend's statement in that regard. I shall not contradict him, but I should not like to agree that he is quite correct.

Mr. VALLANCE: The minister will not contradict the statement. Has the government any knowledge of John I. McFarland buying wheat, and to what extent he to-day holds future wheat?

Mr. STEVENS: I have no knowledge of that at all, and, so far as I know, no member of the government has any knowledge of Mr. McFarland's activities in that regard.

Mr. YOUNG: If he did that, could he do it without the government's knowledge?

Mr. STEVENS: Oh, yes. If he is able to finance it, he could do as he liked in that respect.

Mr. VALLANCE: The Prime Minister while acting as Minister of Finance last year claimed that because of the guarantee given by the government to the banks, they maintained the price for wheat. I contended at the time that to argue that way was to claim credit for steadying the world's market; for he spoke not only of the Canadian market but of steadying the world's market. At least he said that those in the grain trade acknowledged that his actions had brought about that result. There is a strong suspicion throughout western Canada that there is a large volume of grain being held, and I would ask the minister to find out if that is true. If it is not true it should be stated accordingly, because it is strongly rumoured that John I. McFarland is to-day holding large volumes of wheat, speculating in futures, with the Canadian people's money.

Mr. STEVENS: Oh, no, I must hasten to correct that.

Mr. VALLANCE: The banks have guarantees against it.

Mr. STEVENS: For a statement of that kind to go out unadorned would be very damaging, and I know that my hon. friend would not wish to do either the wheat market or Mr. McFarland or anyone else an injury.

Mr. VALLANCE: That is why I wanted the question cleared up.

Mr. STEVENS: Mr. John McFarland, of course, is independent of parliament and of the government. He is a gentleman of means, a gentleman with knowledge of the wheat business, and if he has bought wheat on his own account that is his own business. In regard to the pool, Mr. McFarland has served the pool, so I am informed, without salary, as a matter of public service, and I am advised by those who are in a position to know, that it has been a service that is highly appreciated by all. I think we should pay a tribute to Mr. McFarland for the service that he has rendered in that respect.

As far as the government is concerned, I have already stated clearly what it has done. In the year 1930-31, the government stepped in and gave certain guarantees, but behind the government's guarantee was the assets of the pool, the elevators and so forth. The exact figures I cannot recall, but my hon. friends no doubt know them. As far as that guarantee is concerned, I understand that there will be no losses at all. I think it is practically cleared up now as far as any danger of loss is concerned. This year the three pools were confronted with the task of carrying on their business without assets, the assets having been hypothecated to the three provincial governments on the prairies. We again stepped in during the current crop year and guaranteed the pools to the banks so that the banks would advance the pools enough money to make an initial payment. That really meant working capital for the pools. It enabled the pools to discharge that duty and undoubtedly held the market steady in both years, and I confess that I can see no possible ground for criticism of the government in that respect. To the extent that it held the Canadian market steady in the face of the rather strange actions of the farm board south of the line, it contributed to the steadying of the world market.

Mr. STEWART (Edmonton): How can my hon. friend say that?

Mr. MOTHERWELL: The world market—oh, oh!

Mr. STEVENS: Why should my hon. friends object to that statement? I say that to the extent that Canadian wheat influences the world market, and it certainly does influence it—

Mr. STEWART (Edmonton): That is a different statement.

Mr. STEVENS: To the extent that Canadian wheat influences the world market, the government's action contributed indirectly to the steadying of the world market.

Mr. VALLANCE: Can the minister tell us what percentage of the total world market Canada's exportable wheat represents?

Mr. STEVENS: Of course it varies from year to year, but roughly speaking one would say from twenty-five per cent to thirty per cent.

Mr. VALLANCE: Would the minister mind asking the chairman of the grain commission?

Mr. STEVENS: He tells me that that is his information.

Mr. DONNELLY: I gather from what the minister has said that Mr. McFarland must be speculating, because he has said the pool this year has steadied the market. How can the pool steady the market? This year the pools have been buying grain the same as any other companies, and when they bring their wheat in they sell it and hedge their "buys" or "solds" each day. When they hold out they are speculating. In a line company doing legitimate business what they buy to-day they sell to-morrow. If Mr. McFarland is doing otherwise he is speculating in and holding wheat. That is what I have been asking the minister. I have been inquiring whether Mr. McFarland has been speculating in or holding wheat, and the minister seems to think he has steadied the market.

Mr. STEVENS: My hon. friend is not putting a fair construction on my observation. I make no statement concerning, and I have before me no knowledge of, the exact actions of the pool. It must be borne in mind that this year the three pools are each carrying on their own business, operating separately. They receive wheat, and undoubtedly in the usual way they hedge on the market. They do their business in a normal way; just how much they have bought or sold I cannot tell my hon. friend. Where the government came into the matter, however—and I have said this three times; I trust my language is not obscure—the government simply guaranteed the banks against loss on the pool's initial payment to the farmers on the purchase of grain.

Mr. DONNELLY: We understand that quite well. The pools this year are handling very little of the wheat as it is pooled. The greater portion of the wheat is handled by the pools in the ordinary manner, just the same as it would be handled by any other grain company. The minister now tells me that each of the pools in western Canada is

carrying on in the normal way, or is handling its own business. If each pool is selling its own grain I should like to know what Mr. McFarland is doing. What is his business?

Mr. STEVENS: Mr. McFarland is the manager or the one in charge of the central selling agency of the pools, handling the wheat for the crop year 1930-31.

Mr. STEWART (Edmonton): Of all the pools?

Mr. STEVENS: Yes. But for the crop year 1931-32 the three pools are operating separately, and are not under the control of a central selling agency.

Mr. YOUNG: Mr. Chairman, I have not the reference before me, but speaking from memory, and of course subject to correction, may I say that in the Financial Post of last week the statement appeared that when Mr. McFarland undertook to sell the 1930-31 crop he at the same time bought futures against it, and that as a result of his activities the government to-day is holding millions of bushels of future wheat which it cannot get rid of, except at a loss, until the price goes up.

Mr. STEVENS: I do not know of a bushel of wheat held by the government, either directly or indirectly.

Mr. YOUNG: Will the minister find out?

Mr. STEVENS: Yes, certainly. I am quite certain, however, that there is no such condition as that outlined by my hon. friend.

Mr. DONNELLY: Did I understand the minister to say that Mr. McFarland has nothing to do with the pools this year?

Mr. STEVENS: That is my understanding. He was the head of the selling agency when it acted for all the pools; I am speaking of the crop year 1930-31. In connection with the crop year 1931-32 the three pools are operating apart from the selling agency.

Mr. STEWART (Edmonton): Without guarantees from the government?

Mr. STEVENS: There is a guarantee to the banks this year for the three pools.

Mr. STEWART (Edmonton): If that is so, may I ask the minister if Mr. McFarland has anything to do with the control of the selling?

Mr. STEVENS: As far as I know, he has not.

[Mr. Donnelly.]

Mr. STEWART (Edmonton): No control whatever. The government have given unconditional guarantees to the banks for the operation of the three pools.

Mr. STEVENS: No; my hon. friend is not fair. He has put in my mouth words I did not use.

Mr. STEWART (Edmonton): What other construction can we place upon the minister's words?

Mr. STEVENS: My hon. friend has said that the government has given an unconditional guarantee; that is not so. The guarantee is subject to the presence of the wheat as security, and an initial payment. In other words the ordinary bank line of credit is extended to the pools, which were without working capital and could not have functioned if the government had not taken action. The government has simply guaranteed to the banks a line of credit to the pools, so that the pools may function in the ordinary way. The banks naturally take the security of the wheat against the advances they make. The margin of safety has been around 32 cents or 33 cents of the market price, whatever it is.

Mr. STEWART (Edmonton): Then Mr. McFarland is not officially acting for the pools or the government on this year's sales?

Mr. STEVENS: No, I do not think so.

Mr. STEWART (Edmonton): And the government has guaranteed each individua. pool to the extent of the initial payment on the wheat; that is, they have guaranteed accounts.

Mr. STEVENS: What is required to make that payment by the banks.

Mr. VALLANCE: I think we are at cross purposes. In the past crop year the pool permitted all contract signers who so chose to disregard their contracts.

Mr. STEVENS: Quite true.

Mr. VALLANCE: So that to-day John I. McFarland is not operating the central selling agency. Immediately after the imperial conference of 1930, and after the return of John I. McFarland, he assumed the responsibility as manager of the selling agency. He took that responsibility on two understandings: First of all, he was to receive no salary, to which arrangement we quite readily agreed, and secondly, he was to be given a free hand as to the method by which he was to dispose of the wheat. His first act was to close all the European sales agencies. Then because of

the fact that the pools disregarded the contracts or allowed the contract signers to disregard them, a very small percentage of wheat found a market through the pools. Probably in all there were only a few million bushels; in fact I think less than 10,000,000 bushels were marketed by the pooling system. Did the government guarantee to the individual pools that amount of wheat at 35 cents a bushel?

Mr. STEVENS: During the crop year 1931-32?

Mr. VALLANCE: Yes.

Mr. STEVENS: Yes.

Mr. DONNELLY: Can the minister tell us how much of the 1930-31 crop owned by the pool is still in the hands of Mr. McFarland, when we may expect it will be sold, and when Mr. McFarland will be allowed to discharge the office he holds at the present time?

Mr. STEVENS: My hon. friend and all hon. members who have participated in this discussion will please recognize the fact that we are not in any sense in control of the pools, and such answers as I have given are given to the best of my information and without precise knowledge. I am told that there is not much of the 1930-31 crop left in the hands of the selling agency. My hon. friend will have to accept that statement for what it is worth as I have no exact information in connection with it.

Mr. MOTHERWELL: On whose say so were the wheat producers subdivided into three separate units or pools?

Mr. STEVENS: On their own say so.

Mr. MOTHERWELL: I think not. That action was very much against their desire.

Mr. STEVENS: Certainly it was not upon the government's say so, or through the action of the government.

Mr. MOTHERWELL: It must have been either through Mr. McFarland or the government. Here is what happened: The hon. member for South Battleford indicated that Mr. McFarland, since getting into the saddle, had closed all the sales agencies in Europe and England. The next step was to disintegrate the pool so that it would no longer be one unit. I understood before, as I gather from the minister now, that Mr. McFarland is still selling the overage as general manager of the old central wheat agency, but the three prairie provinces have three distinct pools now handling this year's crop. What I should like to know is, who worked out that policy against the wishes of the farmers of the west? Someone did.

Mr. STEVENS: Certainly not the government; it certainly had nothing to do with the government.

Mr. MOTHERWELL: Well, who did it?

Mr. STEVENS: I tried some time ago to indicate the processes which operated to bring about this result. In the 1930-31 period the pools found themselves in difficulties, and the guarantees of the three prairie provinces, on behalf of the three pools, came due and had to be faced, with the result that the assets of the three pools, three distinct organizations, were placed under the control of the three provinces. I do not mean to say they were turned over to them, but were hypothecated for the security of those provinces.

Mr. STEWART (Edmonton): Pledged.

Mr. STEVENS: When the 1931-32 crop came on the market, these assets having been hypothecated against the losses of the past—that goes back to the 1929-30 crop—the pools had nothing to offer to the banks as security for working capital, and then this government stepped in and gave its guarantees to the banks to enable the three pools to function. As to who withdrew the pools from the central selling agency, I have no idea; at any rate it was due to no action on the part of this government.

Mr. MOTHERWELL: Whoever may be responsible, they are pretty well divided up now, so that there is not a chance in nearly a lifetime for them to get together and operate as they were doing before. Through Mr. McFarland or someone else, the organization is nicely carved up into units so as to render them incapable of proper action and functioning. I want now some information in regard to the Stamp commission's report. Last year I put on the order paper three or four questions and inadvertently one of them was not answered. I inquired who or what body asked for a royal commission, known later on as the Stamp commission. Has my hon. friend any information on that subject? What body or individual asked the government to appoint a royal commission to decide on what effect the selling of grain futures had on the producers of the country?

Mr. STEVENS: I am under the impression that it arose out of discussions in the house

or in the committee on agriculture, but I am not in a position now to inform my hon. friend from memory just who asked for it, or whether any request was made for it.

Mr. MOTHERWELL: I assure the hon. gentleman it did not arise out of the committee on agriculture but out of something quite different. Surely the government should know exactly why the commission was appointed. Usually someone asks for a commission but I have never been able to get an answer to that question. If my hon. friend cannot answer the question I will not press it. The primary object of the commission, so far as we know externally at any rate, was to find out whether the trading in grain futures was inimical to the interests of the producer. That is right, I think. The other night, when my hon. friend's estimates were under consideration, I asked him whether he intended to appoint the supervisor recommended by the Stamp commission to see that everything was done on the up and up around the grain exchange. We both agreed that there was not very much urgency for it just now. Is that right? The government, I understood, had not finally disposed of the question but at any rate had not appointed any supervisor, and they did not think they were likely to. Did I understand my hon. friend rightly?

Mr. STEVENS: In regard to the supervisor, the question is referred to, at page 61 of the report, as a more or less tentative suggestion. I do not think it is what one would consider a primary recommendation from the commission. That appears at page 61. The commission indicate that it was suggested that possibly an official might be appointed to whom dissatisfied private producers or those selling wheat on the grain exchange could appeal and present their grievances, and such an official would be in a position to bring the matter privately to the attention of the officers of the grain exchange and make explanations to the dissatisfied party. I confess, speaking for myself, after what consideration I have given to the matter, that I do not think such an officer would be of any great value. I have an open mind on the question however, and if there are any representations to be made I shall be glad to take them into consideration. But my conclusion is that, in the first place, Sir Josiah Stamp and his colleagues did not press that matter; and in the second place, on examination, I see no great use for it. So that no action has been taken.

Mr. MOTHERWELL: The other recommendation was that the selling of grain futures could not be very well dispensed with in the world of to-day, having regard to the manner in which world business is conducted generally. As a matter of fact, selling in futures applies to many things besides grain Summed up, this is what it amounts to. The first recommendation was not carried out, and I do not think there is much loss in that regard, though it may be done at any time. I do not think any of the farming community are asking that it be done at this time, at all events, because someone would have to carry the expense of the appointment. The other recommendation, in regard to grain futures, must have been known to the government, because they had the information in their possession prior to the appointment of the commission. I have here the report of the Turgeon grain commission, appointed back in 1923—I believe it ran on into the following year as well. While that commission was not appointed especially to deal with this question, it was incidentally inquired into; I mean the question of grain futures. These are some of their conclusions:

> The conclusions drawn from this survey of futures trading and a future market are:—
>
> (1) That a futures market permits hedging and that hedging by dividing and eliminating risks in price variations reduces the spread between the prices paid to the farmer for his product and those obtained for it upon the ultimate market.
>
> (2) That hedging facilitates the extension of credit and thereby reduces the cost of handling grain by making it possible for grain dealers to operate on less capital than would be the case otherwise.
>
> (3) That for the same reason hedging makes a larger degree of competition possible in the grain trade, on a given amount of capital.

There are twelve conclusions, of which I have read the first three. So that the Turgeon commission's report was then in the hands of the government, and it indicated that the selling of futures was not inimical to the interests of producers or anyone else, but was indispensable in doing business under present day conditions. Now this government appoints a commission at a cost of about $10,000 to find out what nearly everyone already knows. That is the way they are blowing themselves, and then skinning the civil servants on their salaries in order to try to make up for it and balance the budget. I should like to know, then, the net benefit of this commission to the country, when their one tentative recommendation had not been carried out, though I think that was the right thing to do for the present. The other recommendation or finding was the same as that already made by the Turgeon commission, so what good purpose has been served?

Mr. STEVENS: Without doubt there was a considerable body of public opinion in the west that was suspicious of the system of futures in connection with the grain exchange, and I think the very thorough examination by the Stamp commission completely dispelled that suspicion from the minds of the producers. So far as I have been able to learn, there has been no agitation on that subject since this report was made, and I think the expenditure of the comparatively small amount for this work was money well spent, since it stabilized the general system of marketing western Canadian grain.

Mr. MOTHERWELL: I do not want to discourage my hon. friend in what he thinks this report has accomplished, but I can tell him that instead of allaying suspicion it has aroused it. This report is the joke of the west; it is as dead as the dodo, as far as its effect is concerned in the manner suggested by the minister.

Mr. STEVENS: That is a contribution, in these blue times.

Mr. MOTHERWELL: My hon. friend should make a contribution to justify the appointment of the Stamp commission and the printing of this report. As a matter of fact this must have been done for some other purpose altogether; that famous appendix, that was one too many, is believed by many people to have been really what was in the mind of the government. When we consider that the pool has been demobilized, as I have described it, and then has had the harpoon shot into it by this appendix which was taken out when it was too late, and after the damage was done, it is not a very creditable record for the government, especially in their attitude towards cooperative organizations. My hon. friend should dispel this notion, because the impression in the west is that the government is not very friendly to any kind of cooperative organization. I hope that impression is not correct but in any case, wittingly or unwittingly, the government has given the wheat pool a jab in the back which they did not like very well. They were pretty well staggered before that, and it was a badly calculated attack if that was its object. If that was not the object, this commission had no purpose at all except to blow in $10,000.

Mr. STEVENS: I am quite certain that hon. members representing western Canada who are acquainted with the great difficulties with which the pools have been confronted in the last two or three years will not join in the sentiments expressed by my hon. friend. I am always willing to give him a pretty wide latitude, but I must characterize the utterances to which he has just given expression as not only without foundation in fact but as gravely misleading to anyone who may read them. The government of the day, during last year and the present year, have rendered invaluable assistance and support to the pools, which could not have functioned without that support. The only ground for censure that might exist is that the government did guarantee the pools in both those years. We gave that guarantee because we felt it to be of great importance to this country that the pools should not be allowed to collapse. Whatever could be done was done gladly and freely and without any expectation of compensation of any kind. We took the risk, but fortunately because of the good management of these concerns during the last two years by Mr. McFarland and those associated with him, there has been no loss. I do think it unworthy of my hon. friend to suggest that the government has been an enemy of the pools. The pools have had no better friend in the last two years than the federal government. We have claimed no particular credit for it; we are not claiming any credit, but I am bound to defend the action of the government in this respect.

Mr. MOTHERWELL: I was not saying anything about the guarantee, but my hon. friend finds it convenient to slide out of it in that way. We were talking about the Stamp commission and why it was appointed. I can tell my hon. friend that a newspaper despatch appeared in both east and west when the government was considering the advisability of appointing this commission, and that despatch outlined almost exactly the procedure that was subsequently followed. That despatch described what was going to be done to the pool and who was going to be found in the wrong, and it turned out as prognosticated as per Appendix XII. It worked out exactly as it was described in the newspapers even before Sir Josiah Stamp had accepted the invitation to come over here. Explain it how you will; there it is. No good purpose has been served, and if the government did not know about the Turgeon report they should have known it. So they will have to have some different explanation than can be given by talking about some other subject which we are not discussing at the moment, in order to convince the country that they had any friendly purpose towards the pool when the Stamp commission was appointed.

Just one other matter and I will be through. During the session following my hon. friend's

return from France in 1930 he gave an account of his experience overseas and said that the visit of the Prime Minister to Paris had a very beneficial effect in the amount of wheat sold to France that year. I said I didn't think that had anything to do with it; if by going to Paris with his colleague the Solicitor General for a little visit the Prime Minister sold more wheat, he should have gone sooner and oftener and stayed longer.

As a matter of fact here is what happened: France had been using a certain percentage of foreign wheat. That percentage was steadily increased until now she is using about forty per cent of foreign wheat, and according to the press Italy is using nearly sixty per cent of foreign wheat. They are adjusting their quotas to suit their own requirements, and through that adjustment they are taking more foreign wheat now than they have taken for many years. Naturally we are getting some of that trade.

I wonder if my hon. friend still claims, now that the Prime Minister of Canada has given notice to France that the treaty is to be abrogated in a few months, that France and Italy and other countries are buying more of our wheat because of the visits of the Prime Minister to Paris or because of anything the minister has done through the threatened abrogation of the treaties. I would like to know what my hon. friend thinks about it now, whether he still thinks these things can be done by just running down to Paris and later giving notice that the treaty is to be abrogated. Is France buying wheat because she has a fear that we will do something worse, or is she thinking about us at all or about any one other than her own people and their present bread requirements?

Mr. STEVENS: The Dominion government is at all times and under all circumstances doing its best to market Canadian wheat in foreign countries. I have already explained in considerable detail the system of quotas now in vogue and I do not think any good purpose would be served by my expressing again the opinions which I expressed last year.

Mr. VALLANCE: Some prominent Canadians gave evidence before the Stamp commission. I should like to know if it is possible for any member of this committee to obtain a copy of the evidence of any particular witness who appeared before that commission.

Mr. STEVENS: As far as I know, the evidence is in the possession of the house.

Mr. VALLANCE: That is the report based on the evidence.

[Mr. Motherwell.]

Mr. STEVENS: I think the evidence itself is in the custody of the clerk. As far as I know I have not a copy in my department, but there is no doubt in my mind that my hon. friend could see the evidence at any time.

Mr. MOTHERWELL: I did not catch quite clearly what the minister said in reply to my last question, but I understand now that he does not desire to repeat what he said a year ago. I can quite understand his not wanting to do that, because what he said at that time was absolute nonsense and was better not repeated.

Mr. YOUNG: The newspaper article to which I referred a few moments ago is to be found in the Financial Post of April 9 on pages 1 and 2. I will send it over to the minister.

Mr. WEIR (Macdonald): I hope the minister has not definitely closed his mind to the recommendation of the Stamp commission as to the appointment of a supervisor or some such officer to supervise the operations of the grain exchange. The fact that the report mentions that there is a certain amount of suspicion to be attached to future trading is sufficient evidence that such an officer might properly be appointed. Speaking a few moments ago about the export of grain from this country, the minister said that there had been a change of attitude on the part of the importing countries; I hope he did not mean that that applied to Canada alone.

Mr. STEVENS: Oh, no. I referred to the attitude of European countries which were operating under quota systems in the interest of their own producers and, of course, against all exporting countries.

Mr. WEIR (Macdonald): Not against Canada alone?

Mr. STEVENS: Quite so.

Mr. WEIR (Macdonald): I should like to know the attitude of the government with respect to the wheat pool, and latterly with respect to the three provincial organizations. Mr. McFarland has had nothing to do this year with the operations of the provincial organization; they are operating simply as grain handling propositions. As I understand it, the only part taken by the government is to back the notes at the banks. I am glad to say that quite a considerable amount of grain has been voluntarily pooled. A few days ago I noticed in the press that an instant payment

of ten cents per bushel had been made on the grain pooled this year, and I should like to know if the consent of the government was required before that money was paid out?

Mr. STEVENS: I am afraid I cannot answer that question, but my impression is that it was not.

Mr. WEIR (Macdonald): The information has been given that there is not likely to be any loss with regard to pool operations so far as Mr. McFarland is concerned, and I should like to have some information in this connection. Under the operations of the pool, and prior to Mr. McFarland coming into it, although involving crops he handled, durum wheat was purchased with an initial payment of six or eight cents per bushel under Manitoba No. 1 northern. This wheat was all sold at a price above that received for Manitoba No. 1; in other words, the price of durum wheat went up considerably while the price of the other wheat fell. The result is that there is now coming to the growers of durum wheat in the province of Manitoba some $500,000, and when the statement is made that there is to be no loss in the operations of the pool, these growers are naturally concerned. A delegation waited upon the government a year ago at which time there was discussed the spreads between the different crops. I do not know whether the minister is in position to state that an effort will be made to straighten out this matter in order that these growers, largely in southern Manitoba and the Red River district, may receive this $500,000, which is no small item to a certain class of growers. If the minister is not in position to give this information to the committee, I hope he will look into the matter.

Mr. STEVENS: I shall certainly look into the matter, but I would have to state that this comes within the purview of the pool itself. I shall check the matter over carefully and give my hon. friend any information I obtain at some later date.

Mr. WEIR (Macdonald): The item is really under the control of the government.

Mr. DONNELLY: The government announced last year that 2,000,000 bushels of wheat would be purchased to be ground into flour. I should like to know if this wheat was purchased through the department or through the Board of Grain Commissioners.

Mr. STEVENS: That purchase was in connection in part with the government of Saskatchewan and in part with the governments of the other two western provinces. It was for relief for the dried-out areas, which was carried on by the relief commission.

Mr. DONNELLY: The department had nothing whatever to do with it?

Mr. STEVENS: No.

Item agreed to.

National Research Council, $410,000.

Mr. VALLANCE: I notice there is a decrease of $90,000 in this item, and I should like to know how the minister intends to effect this saving.

Mr. STEVENS: The National Research Council is an important body and I have taken a tremendous amount of interest in it ever since 1916. I agree that as far as possible parliament should be generous with regard to this vote. This year, however, we felt we were warranted in curtailing the expenditure. Savings will be made in reduction of salaries and in fewer payments in connection with special grants for research work to young students and others throughout the country. We are carrying on any research work which is under way at the present time. For instance, some of the work extends for a period of two, three or four years, and that is being carried on, but we are limiting the amount of new work started.

Mr. BROWN: Does the research laboratory at Winnipeg come under this item?

Mr. STEVENS: No, that is under the grain commission.

Item agreed to.

Motion Picture Bureau, $45,000.

Mr. POWER: Is it the practice of the department to make motion pictures or to buy them?

Mr. STEVENS: Make them.

Mr. POWER: Does the department buy any motion pictures, any made films?

Mr. STEVENS: On rare occasions some that are of particular value or use may be acquired, but the department does not make a general practice of buying motion pictures.

Mr. POWER: Have any been purchased during the last year?

Mr. STEVENS: One might be said to have been bought. That is, a separate company, not the officers of the department, took a picture in connection with salmon fisheries.

This turned out to be a very valuable and useful picture which was shown abroad. It was one of those purchased and, I think, the only one purchased during the year.

Mr. POWER: Was a picture called "One Family" purchased in England?

Mr. STEVENS: Yes. That was purchased a year and a half ago.

Mr. POWER: Just what was that picture? How much was paid for it? From whom was it purchased?

Mr. STEVENS: I have not under my hand the exact data in regard to that. I think, speaking from memory, it was something in the neighbourhood of $10,000 or $12,000.

Mr. POWER: What was the subject matter of the picture?

Mr. STEVENS: It was a picture of childhood life in Great Britain, more or less of a patriotic character.

Mr. POWER: Was it a picture called "The End of the Road"?

Mr. STEVENS: No, it was more the beginning of the road, because it portrayed young life.

Mr. POWER: It was entitled "One Family," was it not?

Mr. STEVENS: Yes.

Sir EUGENE FISET: Is it not a fact that this picture was prepared by the Empire Marketing Board in England?

Mr. STEVENS: Yes.

Sir EUGENE FISET: It was so bad the English press criticised the picture severely and the Empire Marketing Board lost a good deal of money through the production of it. Was that picture purchased directly from the Empire Marketing Board or through an agent? I am instructed the price paid was £2,000, and £200 commission was paid to a third party. The rumour is being spread—I may as well be quite frank with the minister—that this picture was purchased during the absence of the present minister by the Prime Minister himself against the wishes and recommendations of the officials of the Department of Trade and Commerce; that it is now in the vaults of the department; that it has never been produced in this country and that the department has never received a cent of revenue from it. I think in fairness to the Prime Minister the minister should tell us exactly what took place.

[Mr. Stevens.]

Mr. STEVENS: It is being circulated as one of the free pictures among the schools of the country. It must be borne in mind that certain pictures are in demand by the schools, particularly in the more outlying districts and, generally speaking, such pictures are supplied free. This is one of them, and it is rather an attractive one. I admit that from the standpoint of adult, cold-blooded, mercenary advertising it would not be classed as a valuable picture, but from the standpoint of portraying family life and a bit of sentiment and empire idealism, it has merit.

Mr. YOUNG: Any creed attached to it?

Mr. STEVENS: I did not succeed in having any creed attached to it, but had I done so it would unquestionably have become perfect. It is rather an attractive picture, in its portrayal of young life.

Mr. TOTZKE: Is that why it appealed to the Prime Minister?

Mr. POWER: What is the justification of the Department of Trade and Commerce buying a patriotic picture?

Mr. STEVENS: First, because the department is patriotic; second, because the administration of that particular activity is under the department.

Sir EUGENE FISET: Has the picture ever left the vaults of the department?

Mr. STEVENS: Yes.

Sir EUGENE FISET: I have grave doubts as to that. I think the minister had better make inquiries. Did the officials of the department recommend its purchase?

Mr. STEVENS: I have not that information before me.

Mr. VALLANCE: During the conversion loan advertising campaign I noticed extensive advertising through the medium of both silent and talking pictures. Would that naturally come out of last year's expenditure under this item?

Mr. STEVENS: No; all the advertising in connection with loans would be paid by the Department of Finance. Sometimes this department will take pictures for other departments.

Item agreed to.

Weights and Measures inspection service, including the International Bureau of Weights and Measures, $310,200.

Mr. POULIOT: May I make a suggestion to the minister? If I am not mistaken, at the

present time the charge for inspecting weights is $10, and this is paid by those whose weights are right as well as by those whose weights are wrong. Would the minister consider this suggestion: to charge less to those whose weights or measures are right, and more to those whose weights or measures are wrong?

Mr. STEVENS: That seems like a reasonable suggestion. I shall look into it and confer with the officials who have wide experience in the matter.

Mr. POULIOT: I thank the minister for his answer. The suggestion comes from a country merchant who told me that one day he received a visit from an inspector who inspected his balance. The balance could weigh, say 200 pounds and with the weights he was carrying with him, the inspector tested it to forty pounds and found it correct. As a matter of fact the balance was wrong from fifty pounds up, but the inspector marked it O.K., and then the merchant refused to pay the $10. The inspector asked him why, and the merchant told him it was because the inspection was wrong, which he proceeded to prove. This is why I am drawing the matter to the attention of the minister.

Mr. VALLANCE: Is any revenue derived from this service?

Mr. STEVENS: There is a surplus every year of about $60,000.

Mr. DONNELLY: Does the department supply the weights and measures inspectors in western Canada with a car, or allow them mileage to drive from place to place?

Mr. STEVENS: They are allowed mileage when it is required in the country places.

Mr. DONNELLY: What is the mileage paid?

Mr. STEVENS: I am informed that it is from eight to ten cents per mile.

Mr. CAYLEY: How many inspectors are there?

Mr. STEVENS: There are 115.

Item agreed to.

Exhibitions and fairs, including the sum of $750, required by the Department of Immigration and Colonization, $137,000.

Mr. DONNELLY: Will the minister explain this item?

Mr. STEVENS: This is the usual vote for exhibitions. A substantial portion of the item is expended on regular exhibitions in Great Britain in the large industrial centres, and so forth, devoted almost entirely to exhibiting Canadian produce generally, lumber, fish, fruit, flour and all that class of goods. I can give the details of expenditures if required, but this is the usual vote. There is very little variation from year to year in the type of fair that is patronized. Occasionally a large fair or exhibition is involved, but there is no provision in this vote for exhibiting at any large fair.

Mr. DONNELLY: We sent people down to the Argentine to represent the Canadian government at an exhibition there a year or two ago. Would that come under this vote?

Mr. STEVENS: There was a special vote for that.

Mr. DONNELLY: The only thing I wanted to remark in that connection was that before we sent our representatives to that exhibition we were selling to the Argentine $12,000,000 worth of produce annually, and the year after that exhibition we sold them only $4,000,000 worth. If we send another such delegation with no better results, we shall soon be selling the Argentine nothing at all.

Mr. VALLANCE: What is the $750 for which is required by the Department of Immigration?

Mr. STEVENS: That is more or less a vanishing item. Years ago the Immigration department did require certain small exhibits to be displayed in windows, made up by experts under this department, but that is virtually finished. This is just a small vote for some places they have left.

Mr. ELLIOTT: There is a decrease of $148,000 in this vote as compared with last year. How is that accounted for?

Mr. STEVENS: There are no large fairs provided for under this item—just a number of routine exhibits.

Item agreed to.

Dominion Bureau of Statistics, $542,000.

Mr. VALLANCE: I assume the decrease in this item is due to the census work having passed the peak.

Mr. STEVENS: It is due to the tapering off of the census work.

Item agreed to.

DEPARTMENT OF RAILWAYS AND CANALS

Canadian National (West Indies) Steamships, Limited

Loan to the Canadian National (West Indies) Steamships, Limited, repayable on demand with interest at a rate to be fixed by the Governor in council, upon such terms and conditions as the governor in council may determine, and to be applied in payment of:—

Deficts in operation of the company and the vessels under the company's control during the year ended December 31, 1931, and interest requirements. Additional amount required in excess of the sum of $755,000 already appropriated, $161,568.53.

Hon. R. J. MANION (Minister of Railways and Canals): This is a supplementary item which has passed the special committee.

Item agreed to.

Hudson Bay railway and terminals: construction and betterments, including E. B. Jost at $2,250 (revote $630,000), $1,937,700.

Sir EUGENE FISET: Is this to complete?

Mr. MANION: It just depends on what we mean by complete. It would hardly be correct to say that it would complete the work, but it will put the port in condition to carry on with any reasonable amount of shipping that may go out there this year. Briefly, it will build a shed which will be necessary to handle package freight of any kind, it will complete the work on the elevator so that it can handle quite a large amount of grain; it will do some work on the water supply, do some filling and some dredging and considerable work on the Hudson Bay railway itself, such as ballasting and levelling up the road, which is always necessary in that country after the winter's settling. In general it will put the whole system in shape to handle any reasonable amount of traffic that may go over it this coming year.

Mr. DONNELLY: Is it contemplated building docks there for coal?

Mr. MANION: There is a dock eighteen hundred feet long, at one end of which there is plenty of room to store coal. There is no intention of putting up a special dock or getting special equipment this year for handling coal. There are two locomotive cranes which can handle any coal which may come in there this coming season. If it is shown throughout the season that there is likely to be a heavy amount of coal coming in through that port later, it is the intention in the coming years to build a complete dock, but with our present equipment we can handle any coal that may come in from either Nova Scotia or Great Britain this season.

Mr. REID: What freight rate was charged on the trial shipment going over that route?

[Mr. Stevens.]

Mr. MANION: It was all charged on the Crowsnest basis to the head of the lakes.

Mr. REID: Was that rate made by the government?

Mr. MANION: No, the government does not make rates. The rates were made in this case by the Canadian National Railway itself, subject of course to revision by the Board of Railway Commissioners. I adhere to what I said earlier in the evening, that the government does not make rates.

Mr. SPEAKMAN: From what I gather in the press, I understand that some difficulty was experienced last year in securing this first shipment of grain to go out over the Hudson Bay route, that different grain companies and other people shipping grain seemed dubious about sending it over the route, which did not exactly bear out their enthusiasm for the route in the first place. Without my putting a lengthy series of questions to the minister, would he give us a brief statement as to the success of that trial shipment, the amount of grain handled, the terms and conditions on which it was handled, the costs borne by the government, and the result from the point of view of the shipper.

Mr. MANION: I shall gladly answer the hon. member. I shall have to resort to my memory, but I think it is quite clear in this connection, because I was deeply interested. The hon. member is quite right: last year we had considerable difficulty obtaining anything in the shape of grain cargoes. In fact I will tell now that which I did not state publicly last year, namely, that we communicated with various organizations, both public and private, in western Canada, and we had no success whatever so far as securing grain shipments was concerned. We took considerable abuse because we had not obtained grain shipments, despite the fact that we had done everything in our power to get them. At last we went to John I. McFarland—I do not know his position—

Mr. VALLANCE: Manager of the central selling agency.

Mr. MANION: Yes,—who was appointed by my leader, the right the hon. Prime Minister.

Some hon. MEMBERS: Oh, oh.

Mr. MANION: Mr. McFarland came to the city of Ottawa—

Mr. VALLANCE: The minister has just admitted what the Minister of Trade and Commerce would not admit.

Mr. MANION: Well, perhaps I used the wrong word.

Mr. VALLANCE: No, your statement is absolutely true.

Mr. MANION: I am quite sure Mr. McFarland was suggested by the Prime Minister; perhaps I should have put it that way. It is quite possible the Minister of Trade and Commerce knows more than I do in regard to the selling agency as it comes within his purview. Probably I slipped that word in without going into the question. I frankly admit that the Minister of Trade and Commerce is correctly informed concerning Mr. McFarland's appointment, and I shall withdraw my remark.

However, to get back to my statement, may I say that Mr. McFarland held the position of manager of the selling agency. He came to the city of Ottawa and after the solicitation of the Prime Minister and myself—I might say the pleading—we got Mr. McFarland to supply us with two cargoes of grain to be shipped via Churchill.

Mr. YOUNG: Is that how it came about that Mr. McFarland bought wheat for future delivery?

Mr. MANION: My hon. friend had better ask Mr. McFarland about that. He supplied two cargoes. Then, while the government was not in the shipping business, and had nothing to do with the chartering of ships, and should have had nothing to do with business of that nature, in an effort to have a trial shipment through the port of Churchill we chartered two boats and guaranteed to Mr. McFarland that the handling would cost no more than if shipped via Montreal. The boats went in and handled the grain very successfully. Delivery of the elevator was made on the fifteenth; loading was commenced the same evening and continued until the ships were completely filled and trimmed. The experiment was quite successful, and my understanding is that the cost was slightly lower than it would have been had the grain been shipped via Montreal. I may add that we were to absorb port charges, elevator charges and any other charges which ordinarily would have been levied. Outside of that every charge was paid, including insurance, which was rather heavy. In every way the sending of these cargoes via Churchill was a complete success.

Mr. LUCAS: Could the minister give us an idea how insurance rates via Hudson Bay compare with those via Montreal?

Mr. MANION: I cannot say exactly, but they are considerably heavier. I believe the rate is about five times as much, perhaps six times, via Churchill as it is via Montreal. I can say at least that that condition prevailed last year.

While I am on my feet I should like to add that through the office of the Canadian High Commissioner at London we have taken up the matter of insurance rates. The Department of Marine has also investigated the matter because it is directly in control of insurance. The Canadian High Commissioner's office at London has passed the matter on to the Imperial shipping committee, in whose hands it now rests. My best information at the moment is that no reduction has been made. It has been more or less promised, however, that if shipments this year are as successful as those of last year, there will be a reduction in insurance rates in 1933. I am afraid that there is not a very great prospect of a reduction this year.

Mr. SPEAKMAN: I heard the minister mention the fifteenth of a certain month, but I did not hear the month.

Mr. MANION: September.

Mr. TOTZKE: I should like to ask the minister if he can tell us whether any steps are being taken to ensure further and perhaps more complete trial shipments in the coming season.

Mr. MANION: Yes, every effort has been made. I must admit quite frankly, however, that we have not been very successful. A series of letters has been sent to grain dealers throughout western Canada. Shipping agents from Montreal have gone through the western provinces endeavouring to work up shipments. They assure me that they think there will probably be about ten or twelve ships go out of Churchill in the coming year. Frankly it has been very difficult to get cargoes going out or coming in. One shipping company, the Dalgleish Company—the same people who handled the shipment last year—have offered to take cargoes into Churchill on the same basis as the Montreal rate, provided they can get 1,000 tons, or about one-fifth of a cargo, to take in. In spite of that fact it has not been easy to arrange shipments. We have received very little encouragement, and these shipping agents have had difficulty in securing cargoes.

Mr. MOTHERWELL: Does that cover insurance, too?

Mr. MANION: Yes. They are hopeful that ten or a dozen ships will go into Churchill, which would constitute a pretty fair trial in the coming year.

Mr. TOTZKE: Would there be any doubt about having wheat at the port, in case shipments had to be made?

Mr. MANION: There will not be trial shipments until there is wheat to go out.

Mr. TOTZKE: If the boats are ready to take those shipments out—

Mr. MANION: The boats will not go unless the wheat is there.

Mr. TOTZKE: I shall put the question another way: if wheat is there the boats will go?

Mr. MANION: The wheat will be there only if some agency in western Canada does as Mr. McFarland did last year. That is, some agent in western Canada must sell wheat, as Mr. McFarland did. We are not shipping wheat, because we are not handling it.

Mr. VALLANCE: The minister must admit that the government will not guarantee bottoms to any western grain shipper shipping out of Churchill. You guaranteed Mr. McFarland two bottoms in which to ship his grain. In other words he guaranteed you the grain to make trial shipment.

Mr. MANION: There will be no difficulty whatever in getting bottoms. The difficulty is not to get bottoms or to get rates equal to those of Montreal; it is to get cargoes. There will be no difficulty getting cargoes if—

Mr. VALLANCE: But—

Mr. DONNELLY: Will the minister—

Mr. MANION: If my hon. friends will ask their questions one at a time I shall have a better chance to answer. Just now three or four questions are being asked at once from different sections of the chamber.

Mr. VALLANCE: What difficulty will be encountered at Churchill?

Mr. MANION: The difficulty seems to be that western Canada shippers are not enthusiastic about shipping through the port of Churchill, and are not anxious to make arrangements to do so. The late government and the present one—I divide the credit—have put the port into good shape. We had no machinery for shipments; we had no machinery for buying and selling grain in this country and marketing it in Europe, or for chartering vessels. We went out of our way and put this machinery into operation, because we felt it would be a black eye to Churchill if we did not do it. There is no difficulty whatever about getting ships provided the cargoes are there. I do not wish to be misquoted, but I am very hopeful that there will be sufficient to give ten or twelve cargoes out of Churchill this year. If there are cargoes there will be no difficulty about getting the ships.

Mr. WEIR (Macdonald): Has the minister offered the people any consideration at all in the way of reducing the elevator handling charges, or is there the same arrangement as there was last year?

Mr. MANION: There was no charge last year, so that we cannot very well reduce it.

Mr. WEIR (Macdonald): Then you have the same arrangement?

Mr. MANION: We have not had anything put up to us along that line. We will do everything we can, and gladly, to encourage anyone to utilize the port this coming year. As I have said, however, we cannot reduce the charge because there was none last year.

Mr. MOTHERWELL: Does not my hon. friend think that it is the excessive insurance rate that terrifies the prospective shippers? They do not like to take a chance. Has the government thought of carrying part of the insurance until the port has had a real chance to work out?

Mr. MANION: I do not think my hon. friend is right in saying that the excessive insurance rate frightens people, because after all what people look at is the through rate, including insurance. What they consider, for instance, is the rate from Saskatoon, which would probably be the shipping point to Liverpool; they would take that rate, via Churchill, and compare it with the rate from Saskatoon to Liverpool via Montreal, and if the rate, inclusive of insurance, were lower via Churchill than via Montreal, it should be attractive to people wishing to ship grain. As regards absorbing insurance, whether I have thought of this matter or not, it has been forced upon my attention. But may I say it is not an easy matter to settle, for this reason. If that were the only thing that held up shipments via Churchill, it would be the duty of the government to do something in that regard, as a trial; but in my opinion that is not the reason that may make it difficult to get cargoes. It is probably a question of world depression, and general business con-

ditions. The difficulty arises again in regard to the absorption by the government of insurance so far as the other ports are concerned. The other ports, both east and west, would rightly say, "Why should the insurance be absorbed in one port and not in another?" Montreal or Quebec would probably come forward with such a representation. They might say, "If you are going to absorb insurance from Churchill, why not absorb it from Montreal and Quebec?" It is not therefore an easy matter to settle, and we do not wish to grapple with that problem unless it is absolutely necessary. And I do not think it is necessary, because the rate this year will be as low as the Montreal rate, if not lower. There was a difference of about two cents per bushel last year.

Mr. MOTHERWELL: Trade and traffic will not as a rule seek a new port unless there is some advantage to induce shippers to do so. Switching traffic from one route to another is a very difficult thing and takes a considerable time to accomplish. When the Panama canal route was first opened, via Vancouver, it remained open quite a while before there was any considerable traffic, especially of grain. Experimental shipments were made there too, as there was a fear at that time that the waters of the southern Pacific would have a deleterious effect upon the keeping qualities of wheat in transit, particularly if it had excess moisture. These difficulties were overcome and elevators constructed, but it must have been six or seven years before any considerable volume of traffic went through that port—a port open the year round. They had high mountain rates to overcome at that time also, there were no Crowsnest rates going then to the Pacific. That was no doubt a handicap. But here is the point. The government, if this route is to be successful, must do something to overcome the fears of the people with respect to rates and all the vicissitudes or possibilities of any new route, I do not care where it is. The route by the Panama occasioned fear because of the warmth of the water, and we can understand that the northern route might occasion fear because of the coldness of the water or because of the presence of icebergs or growlers or whatever there is to make people fearful; and unless there is a considerable volume of cargo produced, pressing for an exit, that port will be very slow developing without the sympathetic support of the government. Its development, I say, will be slow unless the government gives it considerable sympathetic and tangible support of a practical nature such as I have indicated. The minister must realize that this is the history of trade the world over. It takes a great amount of effort and time to swing trade from one route to another, and there must be a good deal of cargo offering and pressing for a favourable exit before switching can possibly be made. The government, I repeat, should show us a more sympathetic consideration of a practical sort in the direction I have indicated, otherwise, for a long time to come, that port will not be used to any considerable extent. It will not be as fully used as it might be, because shippers will not use any new route to an appreciable extent until the advantages and risks are more fully known.

Mr. MANION: I remember that when the Panama route was first opened there was a fear in regard to the effect of the warm waters of the Pacific on grain. To-day, however, there is no such fear in connection with the northern route; in fact the northern waters will rather make it a safe route from that point of view. I think my hon. friend will admit that his government when in power and this government as well have shown great sympathy with the route. Last year we did, as we are doing this year, everything possible to encourage its utilization. I made inquiries to find out how much it would cost to send a ship for one trip. Suppose we sent a ship on the off chance of a cargo; it would cost from $30,000 to $40,000, and that is a nice figure to juggle with unless you are sure of your cargo. May I make a suggestion to my hon. friend and to members from the west generally, who pressed for many years for the building of the railway and the opening of the port. I submit that they also owe a duty to it. Considering the vast amount of money spent upon the route, and the fact that the people of eastern Canada were for many years accused of holding it up, when as a matter of fact the delay was due to war and other conditions; and considering the further fact that $50,000,000 odd has been spent upon the undertaking, I say frankly that I doubt whether western Canada itself is showing the interest it should in the problem, in the shipping of grain and other products I have been listening to a good many lectures from the west, and I respectfully submit that western Canada might listen to me in this regard. I have been listening to them a good deal. I am not saying this in any spirit of disrespect, but I do think that some of the organizations out there, which are very strong on

resolutions, might get to work and do more than pass resolutions; they might hunt up cargoes for Churchill. They should do a bit of the work which is not the duty of the Department of Railways or of the people of Canada as a whole.

Mr. MOTHERWELL: We are all broke up there now, and need help to get this new port started.

Mr. BOWMAN: Have requests been made to the big grain companies of the west to furnish a cargo this year?

Mr. MANION: Yes; requests have been forwarded to the big grain companies, the pools, boards of trade and so forth. I have here a lengthy list of those to whom we sent such requests, and I have seen a few of the answers. I may say that they were not enthusiastic. Last year I pleaded with the people of the west to ship grain through the port because I felt that it would be a black eye not only to Churchill, but a political black eye to us, if we did not get something through the port then.

Mr. MOTHERWELL: I think so too.

Mr. MANION: My hon. friend is better at pointing out that it would have been a political black eye to us than he is at giving us credit for what we did do. Last year, I may say, I spoke to one big grain merchant—I will not mention his name. I had a conversation with him in the lobby and asked him whether he would send any grain. He replied, "No, I will not send grain through Churchill. If you give me five or six cents better than the Montreal route offers I will ship through that port."

Mr. MOTHERWELL: That is the point.

Mr. MANION: Otherwise, he said, he would not consider it at all. And as a matter of fact he did not have anything to do with it. This year, as I have said, we sent letters to the boards of trade, and, frankly, we have not had satisfactory replies, but only pious wishes.

Mr. STEWART (Edmonton): Why does not the minister communicate with the On-To-The-Bay Association?

Mr. MANION: They have been communicating with me.

Mr. STEWART (Edmonton): Won't they find you cargoes?

Mr. MANION: Without intending any disrespect to the association, I may say that I was really thinking of them when I said that if certain organizations would stop passing resolutions and hunt up cargoes instead we might make some headway.

Mr. STEWART (Edmonton): They used to be active in our day.

Mr. MANION: The association is still very active, but frankly, it does not supply us with cargoes. I should be glad to have their activities take that form.

Mr. BROWN: I agree with the minister.

Mr. BOWMAN: What advantage, in so many cents, or fractions of a cent per bushel, did those cargoes have last year shipped through the bay over cargoes from Montreal?

Mr. MANION: I cannot remember exactly, but it was in the neighbourhood of two cents. Two cents a bushel is quite a difference, and that difference was so great that Mr. McFarland came back to us and proposed that he should pay some of the charges we had not asked him to pay. He felt that he had done so well that he could pay some of the charges we had expected to pay.

Mr. BOWMAN: Will the government be prepared to make the same concessions this year?

Mr. MANION: I do not know that there is any necessity to make concessions, because there will be no difficulty at all in getting ships on the same basis. I do not think there will be any difficulty in getting rates out of Churchill that will be perhaps a little better than the rates of last year.

Mr. VENIOT: Have any negotiations been carried on with regard to the transportation of coarse grains to the maritime provinces via Hudson bay?

Mr. MANION: I have heard nothing of that suggestion, but we will be open to hear all proposals of that kind, coming either from the maritimes or from the west.

Mr. VENIOT: The reason I asked was because I might not be allowed to ask that question when the agriculture estimates are up. I have some memory of a statement by the Minister of Agriculture that it was hoped that large quantities of coarse grain could be shipped to the maritime provinces through Churchill for the feeding of cattle on their way to Europe. I wanted to know if that had been considered by the government.

Mr. MANION: If the Minister of Agriculture expressed that hope I have no doubt the hope was in his mind, and if it will please my hon. friend I will hope so too.

Mr. DONNELLY: Are there still aviators investigating the course of Hudson strait?

Mr. MANION: No, there are no aviators up there now, but the vessels were so successful last year in coming in and going out that we anticipate no difficulty. We have direction finding stations there in excellent shape, and I would be a little afraid to quote the very complimentary remarks of some of the captains in comparing Churchill with some other ports. So I do not think there will be any difficulty in that regard.

Mr. DONNELLY: Can the minister tell us about what time the straits were frozen last year?

Mr. MANION: I am afraid I cannot give that information offhand, but they are open roughly from the middle of July to the middle of October. Last year I think they were open later in the fall, because the season was very mild.

Mr. POWER: Has there been any proposal to stock Hudson bay with fish from Nova Scotia?

Mr. BOTHWELL: Has any action been taken on the resolutions which have been forwarded by various boards of trade in the west in connection with freight rates to Churchill?

Mr. MANION: Yes, that is being dealt with at the moment by the Canadian National Railways, and we expect to have them publish rates in the very near future which I hope will be very satisfactory.

Mr. MOTHERWELL: I think if we have even an average crop this year it will be pushed to the market as rapidly as possible because of the urgent need for liquidation, and I believe every exit will be required. If there is a crop like last year, however, the grain will likely go out largely via the old lines, the lines of least resistance. I would warn the government, however, that the people are in rather a distressed and complaining mood; the shoulders of the government are looked upon as broad, and the people will be apt to blame the government, whether they deserve it or not, unless that road is used to the fullest possible extent. I think the government would be well advised to get busy and not wait to be jabbed up too much by the On-to-the-Bay Association or anyone else. If there is a normal crop I do not think any difficulty will be encountered, as every avenue of egress will be used.

Mr. SPEAKMAN: The government might conscript some grain.

Item agreed to.

Canals—Welland ship canal: construction and betterments, $3,123,400.

Mr. SPENCER: Could the committee have some information on this matter?

Mr. MANION: This vote is practically for the completion of the Welland ship canal and other supplementary works necessary at that point.

Sir EUGENE FISET: There is another item later on in connection with this canal for $25,900.

Mr. MANION: I shall explain that item when we reach it.

Item agreed to.

Port Colborne elevator, improvements, $1,180.

Mr. POULIOT: Is this elevator completed?

Mr. MANION: Yes.

Mr. SPEAKMAN: How much grain went through this elevator last year?

Mr. MANION: About 30,000,000 bushels.

Item agreed to.

Progress reported.

At eleven o'clock the house adjourned, without question put, pursuant to standing order.

Monday, April 18, 1932

The house met at three o'clock.

NEW MEMBER

Mr. SPEAKER: I have the honour to inform the house that the clerk of the house has received from the chief electoral officer certificate of the election and return of the following member, viz:

Of P. G. DAVIES, Esquire, for the electoral district of Athabaska.

REPARATION CLAIMS

Copy of order in council P.C. 718 of March 31, 1932, and one copy of the special report of Mr. Errol M. McDougall, illegal warfare claims commissioner, regarding the loss of the schooner Otokio.

Copy of special report upon Armenian claims for reparations by Errol M. McDougall, commissioner; and also, the following documents in connection therewith: Copy of Mr. Carlisle's petition "A"; copy of Mr. Carlisle's petition "B"; copy of Secretary of State's report to council dated January 20, 1932.

Copy of order in council P.C. 571 of March 12, 1932.

Copy of Paris expert's report.

Copy of the list of payments, including an explanation of how the assessments were made, and a list of rejections with the reasons therefor.—Mr. Cahan.

UNEMPLOYMENT AND FARM RELIEF

Hon. W. A. GORDON (Minister of Labour): Mr. Speaker, I desire to lay upon the table orders in council numbers 790, 791, and 802 passed under the authority of the Unemployment and Farm Relief Act, 1931, and the Unemployment and Farm Relief Continuance Act, 1932, all referring to the expenditures of money under these acts.

QUESTIONS

(Questions answered orally are indicated by an arterisk).

CANADIAN NATIONAL RAILWAYS—COAL SUPPLIES

Mr. RALSTON:

1. What is the analysis of the marketable grade of United States coal used on Canadian National Railways compared with the marketable grade of Pictou coal suitable for such use?
2. What are the comparative prices of such Pictou run of mine coal and American run of mine coal delivered at Montreal and Toronto: (a) by water; (b) by rail?
3. How much Nova Scotia coal was moved to Toronto by water, by water and rail, and by rail respectively, during the years 1930 and 1931?

Mr. MANION:

1. Approximate analysis on "air dried" basis:

	Nut Freeport Seam Armstrong Co. Pa.	United States Coal R/M Pitts. Seam Indiana Co. Pa.	Egg Pitts. Seam Monongalia Co. W. Va.
Moisture	·97	1·00	·83
Volatile	32·52	33·28	35·44
Fixed carbon	60·04	59·05	57·39
Ash	6·47	6·67	6·34
Sulphur	1·82	1·51	1·52
B.T.U.	14,256	14,233	14,377

Mine Run Coal ex Pictou County, N.S.

	Acadia Coal Company			Inter-colonial	
	Albion Mine	Allan Mine	Vale Mine	Coal Co.	Greenwood Coal Co.
Moisture	1·43	1·04	1·60	1·18	2·79
Volatile	27·75	28·00	28·75	25·52	26·17
Fixed carbon	58·30	58·66	55·50	57·58	54·99
Ash	12·52	12·30	14·15	15·72	16·05
Sulphur	1·23	·91	1·43	1·27	1·66
B.T.U.	12,923	13,251	12,394	12,503	11,828

These figures are based on Canadian National Railways' regular sampling and are considered by railway officials as representative.

2. Water delivery at Montreal, duty and wharfage paid: Pictou coal, no deliveries; United States coal, $4.78 including exchange, $4.52 excluding exchange; British coal, $4.38.

Rail delivery at Montreal: Pictou coal, no deliveries; United States coal, $4.58 including exchange, $4.32 excluding exchange.

Water delivery at Toronto, duty and wharfage paid: Pictou coal, no deliveries; United States coal, $4.12 including exchange; $3.86 excluding exchange.

Rail delivery at Toronto: Pictou coal, no deliveries; United States coal, $3.90 including exchange; $3.80 excluding exchange.

All figures are f.o.b. cars and nothing has been included for storage of Cape Breton coal for winter use.

3. Nothing for the Canadian National Railways.

POST OFFICE SAVINGS BANK

Mr. SPENCER:

1. What has been the amount deposited in each year since the inception of the Post Office savings?
2. What is done with the money each year, giving amounts?
3. What percentage of interest has been allowed depositors in each year respectively?
4. What is the maximum percentage of interest allowed by law?

5. If deposited in a bank, what bank or banks, giving amounts, and percentage of interest, if any, paid by the said banks to Post Office Department?

6. Are such deposits used by the government?

7. How much has been used each year and for what purpose?

8. Does the government borrow any of these deposits back from the banks?

9. If so, at what interest, giving amounts and years?

Mr. SAUVE:

I.—POST OFFICE SAVINGS BANK

Period	Total amount of deposits received during period	Total amount withdrawn during period
	$ cts.	$ cts.
Three months ended June 30, 1868	212,507 00	8,857 48
Year ended June 30, 1869	927,885 00	296,754 35
Year ended June 30, 1870	1,347,901 00	664,555 51
Year ended June 30, 1871	1,917,576 00	1,093,438 86
Year ended June 30, 1872	2,261,631 00	1,778,565 19
Year ended June 30, 1873	2,306,918 00	2,323,299 32
Year ended June 30, 1874	2,340,284 00	2,468,643 42
Year ended June 30, 1875	1,942,346 00	2,341,979 04
Year ended June 30, 1876	1,726,204 00	2,021,457 97
Year ended June 30, 1877	1,521,000 00	1,726,082 98
Year ended June 30, 1878	1,724,371 00	1,713,658 73
Year ended June 30, 1879	1,973,243 00	1,733,448 79
Year ended June 30, 1880	2,720,216 00	2,015,813 16
Year ended June 30, 1881	4,175,042 00	2,097,389 15
Year ended June 30, 1882	6,435,989 00	3,461,619 31
Year ended June 30, 1883	6,826,266 00	4,730,995 39
Year ended June 30, 1884	6,441,439 00	5,649,611 13
Year ended June 30, 1885	7,098,459 00	5,793,031 84
Year ended June 30, 1886	7,645,227 00	6,183,470 60
Year ended June 30, 1887	8,272,041 00	6,626,067 51
Year ended June 30, 1888	7,722,330 00	7,514,071 78
Year ended June 30, 1889	7,926,634 00	7,532,145 56
Year ended June 30, 1890	6,599,896 00	8,575,041 98
Year ended June 30, 1891	6,500,372 00	7,875,977 57
Year ended June 30, 1892	7,056,002 00	7,230,839 14
Year ended June 30, 1893	7,708,888 00	6,631,578 97
Year ended June 30, 1894	7,524,286 00	7,473,585 46
Year ended June 30, 1895	7,488,028 00	7,310,291 97
Year ended June 30, 1896	8,138,947 00	7,406,066 13
Year ended June 30, 1897	8,223,000 00	7,656,086 64
Year ended June 30, 1898	9,183,693 00	8,853,178 42
Year ended June 30, 1899	8,310,630 00	9,021,862 56
Year ended June 30, 1900	10,448,485 00	8,903,505 46
Year ended June 30, 1901	11,091,099 00	9,774,694 62
Year ended June 30, 1902	11,382,035 00	10,617,070 50
Year ended June 30, 1903	12,060,825 00	11,379,756 94
Year ended June 30, 1904	11,737,940 00	11,883,127 70
Year ended June 30, 1905	10,503,870 00	12,129,101 23
Year ended June 30, 1906	10,805,458 00	12,324,529 26
Nine months ended March 31, 1907	8,803,233 00	9,330,766 39
Year ended March 31, 1908	12,293,544 17	13,610,865 95
Year ended March 31, 1909	9,415,569 29	13,132,239 00
Year ended March 31, 1910	8,816,511 71	11,699,649 54
Year ended March 31, 1911	9,957,016 17	11,470,360 24
Year ended March 31, 1912	11,054,877 19	12,303,688 13
Year ended March 31, 1913	11,299,963 88	13,389,966 01
Year ended March 31, 1914	11,346,459 39	13,842,924 98
Year ended March 31, 1915	10,154,189 07	12,925,606 20
Year ended March 31, 1916	8,539,742 07	9,981,914 13
Year ended March 31, 1917	11,974,434 11	10,606,900 87
Year ended March 31, 1918	11,791,966 66	14,427,194 11
Year ended March 31, 1919	12,593,190 06	13,604,410 70
Year ended March 31, 1920	10,003,067 58	21,293,281 63
Year ended March 31, 1921	6,631,684 58	10,699,748 72
Year ended March 31, 1922	3,499,338 86	8,496,546 78
Year ended March 31, 1923	2,606,610 61	5,764,442 11
Year ended March 31, 1924	7,118,912 00	5,199,219 63
Year ended March 31, 1925	4,089,058 97	5,316,583 68
Year ended March 31, 1926	3,508,288 52	4,839,856 06
Year ended March 31, 1927	3,178,563 92	4,493,872 21
Year ended March 31, 1928	3,090,163 81	4,350,711 12
Year ended March 31, 1929	2,910,146 98	4,519,506 99
Year ended March 31, 1930	2,746,049 92	5,820,365 52
Year ended March 31, 1931	2,535,562 84	4,604,104 72

2. All moneys are transferred to the credit of the Minister of Finance and form part of the consolidated revenue fund.

3. April 1, 1868, to September 30, 1889, 4 per cent; October 1, 1889, to June 30, 1897, 3½ per cent; July 1, 1897, to date, 3 per cent.

4. The Revised Statutes of Canada, 1927 (chapter 15, "An act respecting savings banks," section 43), provide—"The interest payable to the persons making deposits under this act shall be at such rate, not exceeding the rate of four per centum, as the governor in council from time to time prescribes."

5 to 9. See answer to No. 2.

POST OFFICE DEPARTMENT FORMS

Mr. POULIOT:

1. At what date, under the instruction of whom, and by whom were the letters tabled on page 6, 7, 9, 11 and the forms at page 8 and 10 of reference No. 244, sessional paper No. 257 of April 1, 1932, drafted?

2. Were those forms used outside of the province of Quebec?

3. If so, in what provinces other than the province of Quebec?

Mr. SAUVE:

1. All letters and forms referred to were drafted on instruction of the Postmaster General. The letters and forms were drafted by different officials in the ordinary course of their work. It is impossible to indicate at this date exactly who prepared each individual letter. In some cases the finished letter was the result of amendments made by different officials. The dates on which the various items were drafted are approximately as follows:—Page 6, drafted September 27, 1930; page 7, drafted September 27, 1930; Page 9, drafted January 20, 1931; page 11, drafted April 9, 1931; form A, drafted September 27, 1930; form B, practically the same as form A and was drafted on January 20, 1931, to accompany the letter which appears on page 9.

2 and 3. Yes. These forms were used in every province where charges of active political partisanship were made against postmasters.

TÉMISCOUATA, QUE.—POST OFFICES

Mr. POULIOT:

1. Have any new post offices been established in the county of Témiscouata, since August, 1930?

2. If so: (a) what is the name of each of said post offices; (b) what is the name of each postmaster; (c) in what parish were each of said post offices established; (d) on what date; (e) what is the nearest railway station to each

of said post offices; (f) what are the names of those who obtained contracts for carrying the mail from the nearest station to each of said post offices?

Mr. SAUVE:

1. Yes.
2. See attached statement.

Name of Post Office	Name of Postmaster	Parish or Township	Date of Establishment	Nearest Railway Station	Name of Mail Courier
Granbois.....	Felix Tardif.....	Township Viger, Parish St. Hubert.	9-3-31	St. Arsene....	Philippe Tardif (Service from Viger).
Riviere Plate....	Nazaire Lebel.....	Parish St. Cyprien..	1-10-31	St. Honore....	David Pelletier (Service from St. Cyprien).
Biencourt.....	Adelard Levesque..	Township Biencourt	4-1-32	Cabano.....	Adelard Levesque (Service from Squattack).
Auclair.....	Wilfrid Tardif.....	Township Auclair...	5-4-32	Notre Dame du Lac.	Adelard Tardif (Service from St. Juste du Lac).

RELIEF SHIPMENTS

Mr. GOULET:

1. Were the shipments of preserved food from the province of Quebec to the western provinces purchased by authority of the committee in charge of direct federal relief?
2. How, where and by whom were said purchases made?
3. How many carloads, to the knowledge of the government, were shipped from Ontario to the western provinces?
4. Were these carloads of preserved food not shipped free of charge by our railways?

Mr. GORDON:

The shipments referred to were made without reference to the federal government, and the Department of Labour has no information on points raised by Mr. Goulet.

J. S. ROY

Mr. POULIOT:

1. What work was carried out by Mr. J. S. Roy, of La Reine, Quebec, to relieve unemployment?
2. Where was said work performed, and in what year?

Mr. STEWART (Leeds): 1. Mr. J. S. Roy acted as foreman on the work of cleaning 3 miles of Chaboiley river of brush, stumps, boulders and sunken logs and constructing a small sluiceway across the Chaboiley river at range 10, township of Desmeloizes.

2. (a) Chaboiley river, P.Q., north of La Reine, P. Q.; (b) October 27 to December 4, 1931.

DISMISSALS OF POSTMASTERS

Mr. POULIOT:

How many postmasters were dismissed for active political partisanship since August, 1930: (a) in the province of Quebec; (b) in the other eight provinces?

Mr. SAUVE: (a) 247; (b) 189.

[Mr. Pouliot.]

HUDSON BAY RAILWAY—FREIGHT RATE SCHEDULE

Mr. MOTHERWELL:

Is it the intention of the government when preparing both an incoming and outgoing freight rate schedule on the Hudson Bay railway, to make due rate allowance for the additional mileage distance of about forty miles each way, occasioned by this railway being constructed to within about ninety miles of Nelson before being finally diverted to Churchill?

Mr. MANION: May I point out to the hon. member that the government does not make any of these rates. The Hudson Bay Railway is, as it was under the late government, entirely operated by the Canadian National railway management; they will make rates subject to the Crowsnest pass agreement; and they hope to publish them in the near future. Should there be anything wrong with those rates, they are subject to the Board of Railway Commissioners, but the government itself has no direct power in the matter.

Mr. MOTHERWELL: If the Canadian National Railways incur any deficits on the Hudson Bay railway, is it not a fact that such deficits are paid, not by the Canadian National but by the government?

Mr. MANION: That is right.

Mr. MOTHERWELL: Then I presume the government must be primarily responsible for the rates.

Mr. MANION: The rate-making is in the power of the railways subject to appeal to the Board of Railway Commissioners.

ST. RAPHAEL D'ASTON, QUE., MAIL CONTRACT

Mr. DUBOIS:

1. What is the name of the person who replaced Mr. Alfred Vigneault as mail carrier at St. Raphael d'Aston, county of Nicolet?

2. Were tenders asked for this contract?
3. If so, what was the amount of the lowest tender?

Mr. SAUVE:

1. Hector Laramee.

2 and 3. No, not necessary as contract rate is less than $200 per annum.

CACOUNA INDIAN AGENT

Mr. POULIOT:

1. Has Mr. Alexis Michaud been permanently appointed as Indian agent, Cacouna agency, Quebec, by the Civil Service Commission?
2. If so, at what date?
3. If not, has the temporary certificate in his favour been renewed?
4. If such is the case, at what date and until when?

Mr. MURPHY:

1. No.
2. Answered by No. 1.
3. No.
4. Answered by No. 3.

UNCLAIMED BALANCES IN BANKS

Mr. BLAIR:

1. How much money is in the banks of Canada as unclaimed balances?
2. How much money was in the Canadian banks five years ago as unclaimed balances?

Mr. RHODES: 1 and 2. Unclaimed amounts reported by banks: As at December 31, 1931, $3,200,954.83; As at December 31, 1926, $2,811,-058.39.

ST. VALLIER STATION MAIL CONTRACT

Mr. BOULANGER:

1. What is the name of the person who at present holds the contract for the distribution of mail on rural route No. 1, St. Vallier station?
2. Was the present holder awarded said contract after the regular tenders had been submitted, and was he the lowest tenderer? If not, how was he awarded said contract?
3. How much does he receive?

Mr. SAUVE:

1. Albert Bélanger.
2. (a) No.

(b) Former contractor, Ovide Bélanger, to whom contract was awarded as result of public tenders, his tender being the lowest, asked to be relieved on account of ill-health and applied for a transfer in favour of his brother, Albert Bélanger, also first surety to contractor.

3. $474 per annum.

QUESTIONS PASSED AS ORDERS FOR RETURNS

UNEMPLOYMENT RELIEF ACT—QUEBEC WORKS

Mr. GOBEIL:

1. In what counties of the province of Quebec were amounts granted for municipal and provincial works pursuant to the Unemployment Relief Act?
2. What amounts were authorized for each county?
3. How many requests for money from municipalities in the province of Quebec for unemployment relief works were refused by the federal Department of Public Works?

POLITICAL PARTISANSHIP INQUIRIES

Mr. POULIOT:

How many inquiries were requested in connection with active political partisanship since August, 1930: (a) by the defeated Conservative candidates from the province of Quebec; (b) by the defeated Conservative candidates from the other eight provinces of the dominion; (c) by the Conservative members from the province of Quebec; (d) by the Conservative members from the other eight provinces of the dominion?

Mr. POULIOT:

What is the number and the total cost of inquiries held in connection with active political partisanship, in each department of the Dominion government since August, 1930?

WHEAT FOR RELIEF PURPOSES

Mr. VALLANCE:

1. Who milled the two million odd bushels of wheat the government purchased for relief purposes?
2. What did the milling of the said wheat cost?
3. What was the out-turn of the said wheat per bushel: (a) in pounds of flour; (b) in pounds of shorts; (c) in pounds of bran?
4. In which of the provinces was the said flour distributed, and how much in each?
5. In which of the provinces were the shorts and bran distributed, and how much in each?

Mr. BENNETT: As this information is in the hands, not of the government but of the commission, this question will stand as an order for return.

MOTION FOR PAPERS

UNEMPLOYMENT AND FARM RELIEF ACT, NOVA SCOTIA

Mr. ILSLEY:

For a copy of all letters, telegrams, memoranda, reports and other documents exchanged between the Department of Public Works and any person or persons in Nova Scotia regarding the expenditure of public money under the Unemployment and Farm Relief Act, 1931, on the construction of a wharf, and on repairs to an existing wharf, both at Great Village, Colchester county, Nova Scotia; also a copy of the payrolls, showing the amount expended in labour and how expended; also a copy of the accounts showing prices paid for iron, logs, ballast, ballast poles, timber and plank, and from whom purchased.

Mr. STEWART (Leeds): It appears that on the 14th of this month, on motion of Mr. Duff, a return was tabled covering the information asked for in this motion. I shall

be pleased if my hon. friend will ascertain if this is the fact and if all the information required is in that return. If not, we shall supplement it. In the meantime I suggest that the motion stand.

Mr. ILSLEY: All right.

Motion stands.

UNOPPOSED MOTIONS FOR PAPERS

MARIEVILLE, QUE., POSTMASTERSHIP

Mr. FONTAINE:

For a copy of all correspondence, reports, evidence, petitions and other documents, in connection with the dismissal of Mr. S. J. Gelineau, as postmaster of Marieville, county of Rouville, and the appointment of his successor.

C.G.S. ST. HILIERS

Mr. ARTHURS:

For a copy of all correspondence, letters, offers, telegrams, recommendations, agreements, and other documents, concerning the purchase of C.G.S. St. Hiliers, and payments therefor; also a copy of certificate and reports regarding alterations before delivery by vendors, and regarding repairs or alterations made thereafter; also a copy of any report or complaints as to the condition or seaworthiness of this vessel.

SHIPPEGAN, N.B., CUSTOMS SUB-COLLECTOR

Mr. VENIOT:

For a copy of all correspondence, reports and other documents, including evidence, in connection with an investigation held into charges made against Alphonse G. Robichaud, sub-collector of customs at Shippegan, New Brunswick.

UNEMPLOYMENT AND FARM RELIEF—NOVA SCOTIA

Mr. ILSLEY:

For a copy of all letters, telegrams, memoranda, reports and other documents exchanged between the Department of Public Works and any person or persons in Nova Scotia, regarding the expenditure of public money under the Unemployment and Farm Relief Act, 1931, in connection with the work done on the wharf at St. Joseph du Moine, in the county of Inverness, Nova Scotia; also a copy of the payrolls, showing the amount expended in labour, and how expended; also showing how many teams or trucks were employed in connection with this work, and how much was paid for the services of each team or truck; also a copy of the accounts showing prices paid for iron, logs, ballast, ballast poles, timber and plank, and from whom purchased.

L'ANGE GARDIEN, ROUVILLE COUNTY, POSTMASTERSHIP

Mr. FONTAINE:

For a copy of all correspondence, reports, evidence, petitions and other documents, in connection with the dismissal of Mr. Jos. A. Barsalou, postmaster of l'Ange Gardien, county of Rouville, and the appointment of his successor.

[Mr. H. A. Stewart.]

DEPORTATION OF DR. J. H. R. DE BEAUFORT FARIBAULT

Mr. FERLAND:

For a copy of all correspondence, telegrams, reports, inquiries, orders for deportation (being part of file No. 508731, Immigration department), and other documents, in connection with the deportation to the United States of Doctor Jules Hector Ralph de Beaufort Faribault.

ST. VALLIER, BELLECHASSE COUNTY, POSTMASTERSHIP

Mr. MERCIER (St. Henri) (for Mr. Boulanger):

For a copy of the complete file in connection with the appointment of a postmaster to replace Mr. Eusebe Marceau, deceased, at St. Vallier, county of Bellechasse.

ST. VALLIER, BELLECHASSE COUNTY—RURAL ROUTE NO. 1

Mr. MERCIER (St. Henri) (for Mr. Boulanger):

For a copy of the complete file in connection with the replacement of the mail carrier on rural route No. 1 at St. Vallier Station, county of Bellechasse.

DISARMAMENT CONFERENCE

On the orders of the day:

Mr. JEAN FRANCOIS POULIOT (Témiscouata): As we have not forgotten that there are Canadian delegates at the disarmament conference at Geneva, may I ask the government what is their stand on the French policy of world police?

Right Hon. R. B. BENNETT (Prime Minister): The hon. member sent a notice to me that he proposed to ask this question on the orders of the day. In reply I can only inform him that the attitude of the government will be made known at the proper time and place. I may be able to add something to the information I now afford him when the estimate for the League of Nations is further under consideration and I have to make the statement promised the hon. member for Winnipeg North Centre (Mr. Woodsworth).

IMPERIAL ECONOMIC CONFERENCE

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Might I ask the Prime Minister if at the present time an agenda has been prepared with respect to the

subjects to be discussed at the forthcoming Imperial economic conference, and if so, if the house might be favoured with a copy of it?

Right Hon. R. B. BENNETT (Prime Minister): No completed agenda has been prepared, for obviously discussions must take place between the governments concerned. Whether or not a completed agenda will be laid before this house will depend on what is thought desirable after consultation with all the governments concerned.

Mr. MACKENZIE KING: One other question with regard to the conference. Has the government established any committees, departmental or otherwise, to study the matters that are to be discussed at the conference, and if so, what committees are in existence?

Mr. BENNETT: It has established a large number of committees, but it does not think it in the public interest to make known who they are or what they are doing.

BEAUHARNOIS POWER PROJECT

STATEMENT BY PRIME MINISTER OF POSITION OF UNDERTAKING AND POLICY OF GOVERNMENT

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): I promised the house a few days ago that I would endeavour to-day to make a statement with respect to the Beauharnois undertaking, and that the government would endeavour to consider the matter carefully on Saturday last so that the statement might be as complete as possible. I shall have to ask the indulgence of the house for it is necessary for me to read documents of considerable length.

1. The Beauharnois Light, Heat and Power Company is a creature of the Quebec legislature. It was incorporated in 1902, and its charter was amended in 1910, 1928 and 1930. It is therefore not a corporation over which the parliament of Canada has legislative jurisdiction.

2. The Beauharnois Power Corporation is an entity created under the provisions of the Companies Act of Canada. It is a corporation over which the parliament of Canada has jurisdiction.

3. In 1929 the Beauharnois Power Corporation Limited undertook to create and sell $30,000,000 thirty-year six per cent collateral trust sinking fund bonds. These bonds were to be dated the first day of October, 1929, and were therefore payable in 1959. These bonds were secured, not as some persons have assumed, by a charge against the undertaking, but by a mortgage on the shares of the Beauharnois Light, Heat and Power Company Limited, and the Beauharnois Transmission Company, and the Beauharnois Land Company, and the Beauharnois Construction Company—all as mentioned in the second schedule to the deed of trust given by the Beauharnois Power Corporation Limited to the Royal Trust Company as trustee. The schedule to which I have referred is printed on page 75 of that document, and in order that there may be no misunderstanding with respect to the matter, I shall read the schedule:

> 39,989 (thirty-nine thousand nine hundred and eighty-nine) shares of a par value of $100 each of the capital stock of said Beauharnois Light, Heat and Power Company, being all the outstanding shares of the capital stock of said company, except eleven (11) shares held by the directors thereof:
>
> 49,989 (forty-nine thousand nine hundred and eighty-nine) shares (having no nominal or par value) of said Beauharnois Construction Company, being all the outstanding shares of the capital stock of said company, except eleven (11) shares held by the directors thereof;
>
> 49,989 (forty-nine thousand nine hundred and eighty-nine) shares (having no nominal or par value) of said Beauharnois Transmission Company, being all the outstanding shares of the capital stock of said company, except eleven (11) shares held by the directors thereof;
>
> 49,989 (forty-nine thousand nine hundred and eighty-nine) shares (having no nominal or par value) of said Beauharnois Land Company, being all the outstanding shares of the capital stock of the said company, except eleven (11) shares held by the directors thereof.

These shares constituted the security upon which the issue of collateral trust bonds was based. The provisions as to the amount of the proceeds arising from the sale of the bonds to be received by the Quebec company, the parent company, The Beauharnois Light, Heat and Power Company, are indicated by a document dated the twentieth day of November, 1929, being an agreement made between the Beauharnois Power Corporation Limited and the Beauharnois Light, Heat and Power Company. That document provides not only for the issue of the $30,000,000 of securities; but it also provides for what the operating or parent company was to receive from this issue, the figures being $22,500,000. Section 6 reads as follows:

> The corporation hereby undertakes and agrees to create and issue an issue of thirty year six per cent collateral trust sinking fund bonds of an aggregate principle amount of $30,000,000, and out of the proceeds thereof to make advances by way of loan from time to time to the company up to an amount of $22,250,000 as the same may be required from time to time by the company for any of the following purposes, namely:
>
> (a) for the payment of any of the obligations and liabilities assumed by the corpora-

tion under the said agreement dated the 31st day of October, 1929, between the corporation and the Beauharnois power syndicate, which obligations and liabilities are hereby assumed by the company as hereinafter set forth, or

(b) for the payment of expenditures from time to time made or proposed to be made, either by the company or by any subsidiary company or companies of the company, for or in connection with the development or marketing of hydro electric power resulting from the difference in level between lake St. Francis and lake St. Louis in the province of Quebec, Canada, including therein but without limiting the generality of the foregoing, taxes, rates and assessments, governmental fees and duties and overhead and other expenses of the company and of any of its subsidiary companies, and expenditures for the acquisition of properties and rights of any and all kinds in connection therewith; or

(c) for such other corporate purposes of the company as the corporation may approve.

Provided however that any of the said $22,250,000 applied by the corporation in payment of interest on the said $30,000,000 of thirty year six per cent collateral trust sinking fund bonds of the corporation, up to and including the interest payable on the 1st day of October, 1931, shall be deemed to have been advanced under this section 6 to the company by the corporation and to have been paid by the company pursuant to the provisions of section 9 (a) hereof. The corporation further undertakes and agrees to credit the company in the manner set out in section 9 hereof with an amount equal to the net income directly or indirectly received by the corporation on the portion of the said $22,250,000 from time to time remaining unadvanced to the company.

It will be observed from what I have just read that it is provided that the corporation was also to assume the obligations of the Light, Heat and Power Company in connection with the syndicate to which reference has been made so frequently. Those payments so far as one can ascertain amounted to nearly $4,000,000. So that the sum left, $22,500,000 was to be depleted by that further amount. It was also provided alike by agreement and by trust deed, as will be found at page 38 of that document, that the moneys paid to the trustee upon the certification of bonds shall be available for the payment of interest until October 1, 1931. As the interest amounted to, it will be observed, $1,800,000 per annum, two years interest in round figures were also to come out of proceeds of the bonds, amounting in all to approximately $3,600,000.

4. The next point I desire to direct attention to is the prospectuses that were issued for the sale of these securities. They were issued by many bond dealers throughout Canada, the one I hold in my hand being issued by Wood, Gundy and Company and providing that there should be an issue of first mortgage securities for the purpose of completing the undertaking, because it will be obvious from what I have just read that the relatively small sum remaining out of the $30,000 000 collateral trust bonds would not be sufficient to complete the undertaking. In this prospectus it was intimated that it might be necessary to issue bonds against the enterprise not exceeding $50,000,000, that being the sum that was indicated as the maximum first mortgage bond issue that would be issued against the enterprise, and the earnings were indicated when 500,000 horse-power were installed at $6,200,000 per annum.

5. The next point to which I direct attention is that when the enterprise began to function it did not take long to exhaust the moneys available from the sale of the $30,000,000 collateral trust bonds, which in fact and in law did not constitute a charge against the physical assets of the enterprise. When the investigations were being carried on by parliament, it became, as I have said, apparent, that further sums would be required, and following the usual course the company applied to the Bank of Montreal, the Royal Bank of Canada and the Canadian Bank of Commerce for advances secured by bonds, first mortgage bonds, bonds charged against the enterprise. Advances by the banks up to date amount to $6,495,000, and as security for the sums thus advanced the banks hold first mortgage bonds of the undertaking of a face value of $9,742,000.

6. The next point to which I direct attention is that obviously for reasons that are apparent the banks did not propose to advance too large sums, because it was not their business to do so, unless they were in some way secured beyond the mere holding of the bonds of the enterprise. The provisions for construction provided for a canal that would be satisfactory for navigation purposes, and would constitute a part of the St. Lawrence waterways as, if and when the St. Lawrence waterways may be completed. In view of the representations made as to what the cost of the canal would be, that is the extra cost involved to make it available for navigation purposes, in the light of what I have said as to its being a connecting link in the St. Lawrence waterways development scheme, an application was made, after the investigation in this house, to the government, to ascertain whether or not it would assist in keeping the enterprise going, and the government undertake, as I shall presently point out, to secure the banks against any loss they might make by advancing to the enterprise further sums of money beyond the sums already indicated. But the government asked that the banks should secure from the

enterprise bonds to the extent of 200 per cent of the advances so made, and to date the advances thus made by the banks amount to $7,951,500, and the banks hold as security for such advances, for the purposes of relieving any claim which might arise against the government, bonds of the face value of $15,903,000—that is, first mortgage bonds against the enterprise, it being represented that the total cost of the canal which is to be available for navigation purposes is somewhere between $15,000,000 and $16,000,000, although I personally think that is a somewhat larger figure than the facts warrant for the construction for navigation purposes beyond the construction of a canal for mere power purposes.

7. Before the house rose last year it will be recalled that on August first, as reported at page 4504 of Hansard, I declared the policy of the government to be as follows:

> The government by every means in its power will endeavour to do the following: (a) secure continuance of the enterprise; (b) secure the rights of those who bona fide have put their money in that enterprise; (c) secure proper control and management; (d) take such other steps as may be necessary when terms and conditions are fixed as will ensure the greatest possible benefit to this dominion as a whole by reason of the undertaking now being declared to be a work for the general advantage of Canada.

In the light of that statement and of the position of the undertaking, the government gave the assurances that I have mentioned to the banks, and they—the banks—took security to the extent of approximately two hundred per cent of the sums advanced, the securities being first mortgage bonds of, not the power corporation, but the Beauharnois Light, Heat and Power Company that owns the enterprise.

8. The next point to which I direct the attention of the house is that in furtherance of the undertaking which I gave to parliament at that time, we first of all secured the continuance of the enterprise. The securing of the rights of those who bona fide had put their money in the enterprise was of course limited and governed by the conditions of the contract under which they had advanced their money. I may add that people in every province advanced money on those second mortgage debentures, or collateral trust bonds as they are called. Subject to the terms of the trust deed, we took every step that could be taken first of all, to see that the terms of the trust deed were observed as to the payment of the half year's interest on the first day of October, 1931—this clause I have just read; and, secondly, that the enterprise was continued as I have just indicated, and that it was controlled and managed in the most efficient way possible. I should say for the information of this house and the country that expenditures to date have been within the estimates made, and the work has progressed up to the point that was expected in view of such expenditures.

9. The next point I direct attention to is the action taken by the government after the house had risen. On Labour Day I met the representatives of the banks and of the company and of all those interested for the purpose of ascertaining what steps might reasonably be taken for the purpose of advancing the undertaking. Suggestions were made that the enterprise would best be managed by the four existing power companies doing business in the locality in which the Beauharnois Company was functioning. They are the Montreal Light, Heat and Power Company, Consolidated, the Gatineau Power Company Limited, the Shawinigan Power Company and its associated interests, and the Southern Canada Power enterprise. These four power companies are the large enterprises producing hydro-electric energy in the province of Quebec directly affected by this undertaking.

Nothing came of that, and on the 16th day of September, 1931, the premier of Quebec saw me at Ottawa, and with him was a member of his government. They were accompanied by Mr. Geoffrion, K.C., their legal adviser. It was then suggested that the best interests of all would be served if the enterprise were turned over to the Montreal Light, Heat and Power Company, Consolidated, as they had facilities for management, and they would be prepared to do the necessary financing to complete the undertaking. I intimated that that proposal did not commend itself to the government at that time. Within a week Great Britain went off the gold standard, and financing by any body or group of men became impossible. The government continued, however, to take the responsibility I have indicated in connection with the advances that were made in order to enable the work to be continued.

10. A communication was directed to Mr. Wilson, general manager of the Royal Bank of Canada, who undertook to act as the corresponding medium for the banks that were interested in the undertaking. That letter I will now read because it is important in view of the reply that was made. The letter is dated the 3rd day of October, 1931, and is as follows:

Dear Mr. Wilson:—

Re Beauharnois Undertaking:

On the 16th of September, the premier of Quebec, the Hon. Honore Mercier and their counsel, Mr. Aime Geoffrion, K.C., interviewed me with respect to the reorganization of the Beauharnois undertaking.

It is my considered view, as expressed to these gentlemen, that a reorganization of this undertaking, involving a radical change in its directorate and management, is necessary before the Dominion government and parliament can have confidence that the undertaking will be carried to completion in a manner and with results that will adequately safeguard the public interest.

The act respecting the Beauharnois Light, Heat and Power Company, Limited, which was passed by the parliament of Canada at its last session and which appears as chapter 19 of the statutes of Canada, 1931, approved by Mr. Geoffrion, K.C., on behalf of the province of Quebec, provides, in section 1, for the annulment of the existing orders in council made by the Dominion government and dated March 8, 1921, and June 22, 1929, and also for the annulment of the agreement between the Beauharnois Light, Heat and Power Company, Limited, and the Dominion government dated June 25, 1929.

I may add that Mr. Geoffrion sent me a note after this letter had been received by Mr. Wilson in which he intimated he thought it was rather too strong to say that he had approved on behalf of the province of Quebec. He was acting for the province when my colleague, the Secretary of State, completed the legislation, and it will be recalled that he, Mr. Geoffrion, endorsed his approval on the back of the draft bill, but he regarded that as approval of the form of the bill to accomplish the purpose aimed at rather than as saying that he approved merely on behalf of the province of Quebec, although he was acting as counsel for the province. The letter proceeds:

The second section of that act provides for the grant to the Beauharnois Light, Heat and Power Company, Limited, of the right to divert the waters of the St. Lawrence river up to but not exceeding 53,072 cubic second feet of water to be used for the development of hydro-electric power "in such manner, upon such terms and conditions and with such limitations and reservations as may be prescribed by order of the governor in council."

The terms of this statute indicate that all relevant negotiations in the future, as in the past, shall take place between the Beauharnois Light, Heat and Power Company, Limited, and the Dominion government;

I should add here that the word "limited" does not appear in the statute. It is incorrect to describe the company as limited, although as a matter of law the liability of the shareholders is limited. The letter continues:

[Mr. Bennett.]

—and it appears to me that as preliminary to a new agreement being negotiated, a reorganization of this company, involving very radical changes in its directorate and management, should forthwith be carried into effect.

I am not unmindful of the fact that the Beauharnois Power Corporation, Limited, has already issued $30,000,000 of collateral trust sinking fund bonds, which are now held by the public, payment of which is secured by a first fixed and specific charge on all the shares of the capital stock at any time outstanding of the Beauharnois Light, Heat and Power Company, Limited; and that in the present condition of the financial markets, it may be deemed advisable to avoid any disturbance of this security.

But I understand that the cash advances, which have been made by the banks to enable the works to be carried on are secured by a first charge or lien upon the movable and immovable properties of the Beauharnois Light, Heat and Power Company, Limited; and that provision has already been or can now be made for the creation by this provincial company of such additional bonds as it may be necessary to sell and distribute to the public to provide for the capital expenditures required to utilize for hydro electric power the 55,072 cubic second feet of water presently available.

I would, therefore, suggest that the present board of directors of the Beauharnois Light, Heat and Power Company, Limited, should place their resignations in the hands of those presently interested in the financing of the company and its undertaking; and that those so interested should submit, through you to me, the names of the proposed directors of the new board, indicating what interests they respectively represent.

I would also suggest that arrangements be made forthwith whereby the right to vote a clear majority of the shares of the Beauharnois Light, Heat and Power Company, Limited, be vested in agents or representatives of the three banks who are now financially interested in the undertaking and that these agents or representatives should have the right, by vesting such majority of the shares, to elect and control the personnel of the board of directors for a term of five years, or for such lesser time as may be agreed upon between the representatives of the government of the province of Quebec and of this government.

The vesting of the right to vote the shares of the Beauharnois Light, Heat and Power Company, Limited, as above suggested, need not prejudicially affect the security for the $30,000,000 of bonds of the Beauharnois Power Corporation, Limited, now outstanding.

It appears to me possible, if not probable, that such reorganization, as that above suggested, may necessitate the liquidation of the Beauharnois Power Corporation, Limited, which, subject to outstanding charges thereon, is the holder of the issue capital stock of the Beauharnois Light, Heat and Power Company, Limited.

It does not appear to me to be incumbent upon the Dominion government, upon the evidence elicited by the parliamentary committee which investigated this undertaking at the last session of parliament, to decide as to the respective legal rights of the holders of the capital stock of the Beauharnois Power Corporation, Limited; and, as a matter of fact, the Dominion government has at present no

contractual relations with, and, in the future, it is not likely to have any contractual relations with, that company. The shareholders of that corporation should settle and adjust their respective rights and liabilities inter se by mutual agreement or by appropriate legal proceedings. But in any event, all the properties and assets of all subsidiary and associated companies and, or organizations connected with the undertaking of the Beauharnois Light, Heat and Power Company, Limited, should be vested in or held for that company.

In the meantime, however, the Dominion government is prepared to open negotiations with the Beauharnois Light, Heat and Power Company, Limited, in respect of the parliamentary grant expressed in chapter 19 of the acts of 1931, of the right to divert 53,072 cubic second feet of water of the flow of the river St. Lawrence, and to negotiate with that company as to the terms and conditions, as well as the limitations and reservations, which should be prescribed, under the statute, by order of the governor in council, with respect to such diversion.

It appears to me that the bankers, their associates and clients interested should, forthwith, prepare and present to the government definite proposals with regard to the reorganization of the finances, directorate and management of the Beauharnois Light, Heat and Power Company, Limited, which they will undertake forthwith to carry into effect; and, if these proposals are deemed by the Dominion government to give satisfactory assurance that the undertaking will be carried to a completion efficiently and satisfactorily, then the Dominion government will be prepared to enter at once upon a discussion of the terms and conditions, with such limitations and reservations, as it may be deemed expedient to prescribe by order in council to ensure that Dominion rights and interests, in respect of such diversion of the waters of the river St. Lawrence, shall be properly conserved, and the rights of legitimate investors protected.

If the above proposals are carried into effect, the Beauharnois Light, Heat and Power Company, Limited, will be placed immediately in a position to complete its negotiations with the Dominion government with respect to the terms of the orders in council which are to be made and promulgated when the act respecting the Beauharnois Light, Heat and Power Company, Limited, above mentioned, is proclaimed and brought into force and effect.

Yours faithfully,

(Signed) R. B. Bennett.

Negotiations extending over a period of months were carried on for the purpose of ascertaining just what might be done by those interested in the enterprise to secure its continuance, on the one hand, and that the necessary financial support should be obtained to enable that continuance to be carried on, on the other. However, it was not until the month of March this year that the final reply was received from the bankers on behalf of the enterprise. On February 5 intimation was given that the 80,000 shares of stock given to the Sterling Corporation for the purpose of securing such rights as it had on the river should be cancelled, and those shares have been turned in for cancellation. The letter dated January 8, reads as follows:

Montreal, January 8, 1932.

Dear Mr. Prime Minister:—

Re Beauharnois Undertaking:

As you know, the representatives of the three banks and other persons interested have been giving very full consideration to the suggestions contained in your letter to me of the 3rd October last, and to the various other important points involved in this matter, all of which have been very fully discussed with you on numerous occasions since then, and we feel that it is now appropriate to place before you the considered views and suggestions of the three banks. This letter is written for that purpose, and is concurred in by all three banks.

We believe that this very important undertaking, in which so much money has already been invested, and the success or failure of which will have such an important effect upon the financial and economic condition of the dominion, should be carried forward to a point when the undertaking is producing and delivering power.

We believe that if at all possible those who have in good faith and relying upon grants and approvals made and given by the province of Quebec and the Dominion of Canada purchased securities of the company or lent moneys to it, should have their investments adequately protected.

In connection with the foregoing we have in mind the following salient features:

(a) The company's auditors report that expenditures upon the project to date have been approximately $39,000,000. Funds for this purpose have been raised as follows:

(i) proceeds of the sale of collateral trust bonds of Beauharnois Power Corporation, Limited, and shares of that Corporation represented by share warrants attached to the bonds, $27,000,000.

These collateral trust bonds of Beauharnois Power Corporation, Limited, of course rank after the first mortgage bonds, mentioned below, of Beauharnois Light, Heat and Power Company.

(ii) loans from the three banks concerned, secured by first mortgage bonds of Beauharnois Light, Heat and Power Company, approximately, $11,900,000.

As you know, the loans from the three banks have been secured by the deposit of first mortgage bonds of Beauharnois Light, Heat and Power Company, of a face amount averaging one hundred and seventy-three per cent (173 per cent) of the amount of the loans, and after the loans by the three banks had reached $6,000,000 (the maximum amount of advances which the banks were willing to make) you, from time to time, authorized further advances of approximately $5,900,000 upon the understanding that the Dominion government would protect the banks against any loss.

(b) We are informed that the balances of money required to place the plant in effective operation so as to meet its contracts, is approximately $13,000,000, of which amount approximately $4,000,000 will be required between now and March 31, 1932.

(c) During the summer and autumn of 1931 the number of men employed on the site itself

averaged 3,500 and during the current winter season the average number of men employed on the site has been 2,000. In addition, it is estimated that the project gives employment to about 2,000 persons as a result of the extensive purchases of equipment and materials.

It will thus be seen that the banks and the government by cooperating to assist the company in its undertaking have contributed extensively to the relief of unemployment.

(d) The work has been laid out on a time schedule calculated to bring the power plant into production by October 1, 1932, the date when the two contracts for the sale of substantial and increasing blocks of power to the Hydro-Electric Power Commission of Ontario and Montreal Light, Heat and Power Consolidated call for initial deliveries. The reports of the company's officers and engineers show that, so far, the work has been carried out in such a manner that it is now up to schedule as to time, and is also within the estimates of cost made at the outset. It has progressed to such a point that it is reasonable to assume that if carried on without interruption, the power plant can be brought into production by October 1, 1932, and at a cost not exceeding the original estimate for such installation. Should anything intervene to prevent the completion of the work up to this point by October 1, 1932, this would jeopardize these two contracts which are vital to the undertaking. These contracts call for the ultimate delivery of 400,000 h.p. per annum. One of these contracts calls for the ultimate delivery of 250,000 h.p. per annum, and is for a period of forty years, and the other calls for an ultimate delivery of 150,000 h.p. per annum, and is for a period of approximately seventy years.

The banks, having in mind the great importance of the undertaking and the effect which the success or failure of the undertaking will have upon the financial and economic welfare of the Dominion as a whole, and in view of your government's attitude, have felt it incumbent to do their utmost to assist the undertaking financially as they have done, but it is of course obvious that these are loans which the banks should not be asked to carry indefinitely, and that the appropriate method of financing the undertaking is to do so by means of further issues of securities when the financial condition of the markets warrants such steps. It is obvious, however, that no such financing can take place unless and until the orders in council which have become necessary as a result of chapter 19 of the statutes of the last session have been promulgated, and the company is able to go to the investing public with conclusive evidence that its rights in this connection have been satisfactorily and permanently established.

As you have intimated in your letter to me above mentioned, and in your subsequent discussions of the subject with myself and others interested, that the establishment of the terms and conditions of the necessary orders in council hinge to a large extent upon your government being satisfied as to the reorganization of the finances, directorate and management of Beauharnois Light, Heat and Power Company, we have considered with you and others interested the various suggestions made in your letter and subsequently, and now have to report as follows:

[Mr. Bennett.]

1. All the directors of Beauharnois Light, Heat and Power Company (and of the various other companies associated with that company, including Beauharnois Power Corporation, Limited) have placed their written resignations in my hands, and the resignations of three of these, namely, the Hon. Wilfrid L. McDougald, Mr. R. O. Sweezey and Mr. R. A. C. Henry, have been accepted. The acceptance of the resignations of the remaining eight directors has obviously had to be deferred until a new board can be elected, as otherwise the company would be left without a directorate.

2. There has been submitted to you a list containing the names of nine persons suggested as directors of the company, namely:

Mr. W. A. Black, who is a director of the Bank of Montreal; Mr. C. F. Sise, who is a director of The Royal Trust Company; Mr. W. F. Angus, who is a director of The Royal Bank of Canada; Mr. F. B. Common, K.C., who is a partner of Brown, Montgomery & McMichael, solicitors of The Royal Bank of Canada; Mr. A. F. White and Mr. Miller Lash, who are directors of The Canadian Bank of Commerce; Mr. J. S. Norris, who is a director of Montreal Light, Heat and Power Consolidated; Sir George Garneau and Mr. Aime Geoffrion, K.C., who have been selected by the premier of the province of Quebec.

It is, of course, not fair to ask these gentlemen to act unless the company is put in such a position that it will have reasonable prospects of carrying out its financing and its project, which involves primarily its being accorded the necessary approvals by order in council to permit the development of the undertaking and its receiving temporary financial assistance until its permanent financing can be done.

It will be noted that the above list would fill only nine of the eleven seats on the board, the intention being that the other two directors should be persons suggested by your government, or, if the government prefers not to make suggestions in this regard, that these vacancies will be filled only by persons acceptable to the government.

3. The three banks have given their most serious consideration to the suggestion which you make in your letter to me—

> "that arrangements be made forthwith whereby the right to vote a clear majority of the shares of the Beauharnois Light, Heat and Power Company, Limited, be vested in agents or representatives of the three banks who are now financially interested in the undertaking, and that these agents or representatives should have the right, by voting such majority of the shares, to elect and control the personnel of the board of directors for a term of five years, or such lesser time as may be agreed upon between the representatives of the government of the province of Quebec and this government."

but they are extremely reluctant to accept the responsibility of having the voting rights of the shares of Beauharnois Light, Heat and Power Company, or a majority of them, vested in representatives of the banks. The banks are of this view for the following reasons:

(a) That it would be unwise for them to assume the responsibility of having their representatives exercise this voting control;

(b) That the exercise of such functions by the representatives of the banks would prob-

ably mislead the public into believing that the banks had assumed responsibility for the undertaking of the company and its success or failure, a position in which the banks naturally do not desire to be placed;

(c) That if the power to remove or to refuse reelection to the directors, or any of them, were vested in the representatives of the three banks, such a power would weaken the directorate's efficiency and dignity, and the existence of such a power in the hands of these representatives would render it difficult to induce the proper type of person to act as a director;

(d) That the vesting of such a power in the three representatives of the banks would give too much power and responsibility to these representatives and the banks;

(e) That if the banks themselves do not require to have their representatives exercise the voting control of the shares, then there would seem to be no reason for asking them to assume that responsibility;

(f) That the same result can be achieved by having Beauharnois Power Corporation, Limited (which is now vested with the voting rights of all the shares of Beauharnois Light, Heat and Power Company, unless and until the security for the collateral trust bonds of Beauharnois Power Corporation, Limited, for which these shares are pledged as security should become enforceable) undertake and agree that for a stipulated period it would vote the shares for the election of a designated list of directors.

4. It is therefore suggested—

(a) That a board of directors of Beauharnois Light, Heat and Power Company consisting of the above mentioned eleven persons should be elected at the outset by Beauharnois Power Corporation, Limited (which has the voting rights of all the shares of Beauharnois Light, Heat and Power Company);

(b) That Beauharnois Power Corporation, Limited, should give a written undertaking to the government of the Dominion of Canada and to the government of the province of Quebec that unless and until the security for the collateral trust bonds for which the shares of Beauharnois Light, Heat and Power Company are pledged as security shall have become enforceable, the shares in question will be voted (subject to the provisions of (c) below) for the reelection of the designated board; this arrangement to remain in force for a stated number of years;

(c) That in the case of vacancies occurring in the board, these will be filled by persons appointed by the remaining members of the board, the persons appointed to fill these vacancies to be acceptable to the two governments concerned.

In regard to clauses (b) and (c) above, it is suggested that the term for which this arrangement is to remain in force should terminate on May 1, 1934.

5. As to the reorganization of the management of the company, we feel that this is a matter which should be left to the new board of directors when they take office, as this board will be then in a position to study fully the financial, physical and administrative problems of the company and determine what is best in its interests.

6. In your letter it is suggested that all the properties and assets of all subsidiary and associated companies and/or organizations connected with the undertaking of Beauharnois Light, Heat and Power Company should be vested in or held for that company.

This suggestion can be carried out as follows:

(a) By Beauharnois Power Corporation, Limited, causing to be transferred to Beauharnois Light, Heat and Power Company (subject to the provisions of the trust deed securing the collateral trust bonds of Beauharnois Power Corporation, Limited, and all the rights of the trustee thereunder) all the issued shares (except directors' qualifying shares) of Beauharnois Construction Company (which owns all the shares of Marquette Construction Company), Beauharnois Transmission Company and Beauharnois Land Company; and

(b) By Beauharnois Power Corporation, Limited, notifying the trustee for the collateral trust bonds of such transfer and acknowledging that the right under the trust deed to receive proxies in respect of the shares of such subsidiaries as are pledged to the trustee is vested in Beauharnois Light, Heat and Power Company instead of Beauharnois Power Corporation, Limited.

In this manner the properties and assets of the subsidiaries will be held for Beauharnois Light, Heat and Power Company as the sole shareholder of those subsidiaries (aside from directors' qualifying shares), subject to the rights of the trustee for the collateral trust bonds of Beauharnois Power Corporation, Limited.

This method would carry out the second alternative proposed in your suggestion. This second alternative is preferable to the first alternative for the following among other reasons:

(i) It is more expeditious, less cumbersome and less expensive than the first alternative;

(ii) If the physical assets of the subsidiaries were themselves transferred to Beauharnois Light, Heat and Power Company, they would be subject to the limitations created by the trust deed securing the collateral trust bonds of Beauharnois Power Comporation, Limited, which restrict the amount of bonds and similar securities which may be issued secured upon the assets of Beauharnois Light, Heat and Power Company, and the purposes for which such bonds and similar securities may be issued, and places other restrictions upon such issue, whereas no restrictions are placed upon the issue of bonds and similar securities of the other subsidiaries. This is important, because such other subsidiaries will doubtless require to issue bonds and similar securities in order to carry out their respective undertakings; and

(iii) Some at least of these other subsidiaries have assets which are not required for or directly connected with the undertaking of Beauharnois Light, Heat and Power Company. For example, some of these subsidiaries have lands acquired with a view to furnishing factory sites, housing developments, etc. It is therefore appropriate and advisable that these assets should be kept separate from the assets of Beauharnois Light, Heat and Power Company.

7. One of the first duties of the new board when elected would be to prepare a plan for the future financing of the company and any reorganization which that might involve. We would earnestly hope that this would not involve the liquidation of Beauharnois Power Corporation, Limited, as we feel that such a

step would seriously prejudice or embarrass the future financing of the undertaking and it might cause injury and injustice to a wide list of shareholders and others who in good faith have invested their money in the securities of Beauharnois Power Corporation, Limited, relying upon the rights which that company's subsidiaries had acquired.

We hope that the foregoing suggestions will prove acceptable to the Dominion government, and that negotiations may now be commenced and brought to a speedy termination with respect to the terms of the orders in council which are to be promulgated when the Dominion statute respecting Beauharnois Light, Heat and Power Company is brought into effect.

It is needless for me to add that the representatives of the three banks (Bank of Montreal, The Royal Bank of Canada and The Canadian Bank of Commerce) are ready at all times to further those negotiations and to discuss with you in detail any of the suggestions made above.

Yours faithfully,

M. W. Wilson.

The Right Hon. R. B. Bennett, P.C., K.C.,
Prime Minister of the Dominion of Canada,
Parliament Buildings,
Ottawa, Canada.

There was also the letter dated February 5, in which it was indicated, as I have already stated, that the 80,000 shares issued to the Sterling Corporation had been turned in for cancellation in accordance with the demands made by the government. Negotiations were carried on with the banks and their representatives, legal and otherwise, and in the end, as this house knows, an order in council was passed confirming, by a title superior to that which had theretofore prevailed, the grant of the 53,000 odd second feet of the river, and the provisions, conditions and reservations under which that grant is made appear in the order in council tabled in this house some few days ago. The proclamation duly issued, the statute became operative and the order in council is, as I have said, predicated upon that authority.

11. I next direct attention to the fact that on existing economic conditions which need not here be further alluded to than mentioned, the difficulties of financing were very great, that is the difficulties of selling first mortgage securities at the time, but in view of the position in which the undertaking was, we did in the manner indicated ensure its continuance up to the present time. Among the suggestions which were made was one that they might be able to secure assistance from the Montreal Light, Heat and Power Consolidated, and negotiations, I believe, were carried on in that sense as well as with one or other or all of the power companies I have mentioned. April 1, being the half-year interest day, arrived and the company was without funds with which to pay its interest on the second mortgage collateral trust bonds. The government did not feel warranted in making any provision for the payment of interest on these securities in view of the terms of the trust deed which constituted the contract between the debenture holders, or the holders of the second mortgage collateral trust bonds and the issuing company, namely, the Beauharnois Power Corporation, for it will be recalled by the house, as I read from the document, provision is made that out of the proceeds derived from the sale of these collateral trust bonds, interest was to be provided up to the first day of October last and no provision was made for any date beyond that. We therefore felt under no responsibility in that regard, for it will be observed that nothing was said in the house or elsewhere at any time indicating that the government would place or would ask parliament to place the debenture holders or, as they are called, the holders of the collateral trust bonds, in any better position than they had placed themselves by the contract they had made when the securities were issued.

[Mr. Bennett.]

12. I next direct attention to the fact that during the progress of the negotiations and discussions and, in fact, recently the exact terms of the contract between the Montreal Light, Heat and Power Consolidated, and the Beauharnois Light, Heat and Power Company, that is the parent company, first became known in detail to the government. It will be recalled that at the investigation the contract was referred to, but its exact terms did not seem to be a matter of very great importance beyond the fact that a given quantity of power was to be delivered, rising with the lapse of time to a maximum, and the price fixed for it was to be uniform with the price paid by other purchasers of power from the enterprise. I have, however, since obtained a copy of the contract and paragraph 10 becomes one of very great importance. Paragraph 10, which will be found commencing at page 20 of the typewritten contract, reads as follows:

Territorial. (a) It is agreed that during the term of this contract the company will not, without the written consent of the Montreal Light, Heat and Power, sell or distribute electrical power or energy, either directly or indirectly, within the territory which is or may be served directly or indirectly by the Montreal Light, Heat and Power, which territory is understood for purposes of this agreement to be limited to the island of Montreal and such territory as may lie within a radius of thirty miles from Place d'Armes square, in the city of Montreal, provided the territory so defined shall not at any time be deemed to include any part of the counties of Beauharnois, Huntingdon and Chateauguay, and that portion of the

counties of Verchères and Richelieu fronting on the St. Lawrence river to a depth of five miles from the said river; and it is further agreed that the Montreal Light, Heat and Power will not, either directly or indirectly, sell or distribute any electric power or energy in the said three counties of Beauharnois, Huntingdon and Chateauguay.

(b) It is also agreed that each of the parties hereto will assist the other in procuring the necessary right of way for the passage of through-going transmission lines across the territories of each of them as hereinabove defined and will mutually facilitate the passage of such transmission line or lines.

The exclusive right to sell power within a radius of thirty miles from Place d'Armes square, that is a total width of sixty miles, is by this company conceded to the Montreal Light, Heat and Power, which company in turn concedes to the Beauharnois enterprise the right to sell power within the three counties of Beauharnois, Huntingdon and Chateauguay, and on the river St. Lawrence for a depth of five miles in the counties of Verchères and Richelieu. That of course has a distinct bearing upon the attitude of other power enterprises towards interesting themselves in this undertaking.

Mr. STEWART (Edmonton): May I ask if that covers merely the 250,000 horse power mentioned in the agreement, or is it exclusive entirely of that?

Mr. BENNETT: It is an undertaking in terms not to sell power in those areas.

13. The next question to which attention should be directed is that which affects the rights of the $30,000,000 collateral trust bondholders. If the members of the house are interested, I shall give them the page of the trust deed on which the provisions in that regard will be found. Article 19, page 51, provides for meetings of bondholders and the provisions with respect to default being made by the enterprise in payment of its interest. There is the usual acceleration clause by which the whole $30,000,000 can be declared to become due, and thereafter follow the usual provisions in trust deeds for the remedies that accrue in case of default. They will be found in article 7, commencing at page 30 of the trust deed. Shortly, after providing for the acceleration of principal and interest whereby the whole $30,000,000, with interest, may be declared to be presently due, it provides for entry into possession and restoration upon removal of default—that is not of importance—the sale by the trustees of the shares and the method by which those who desire to acquire them may use their bonds for the purpose of discharging the purchase price. There is a provision for the appointment of a receiver or receiver manager by the trust company and the other usual provisions in that regard. I shall not trouble the house by reading them, but I think it is important they should be borne in mind.

The position at the moment, if I might direct the attention of the house to the matter, is that there has been default in the payment of interest due on April 1 to the holders of the $30,000,000 6 per cent collateral trust bonds of the enterprise; that that default must continue for a period of ninety days, which would be the months of May, June and July, to enable the holders of those securities to avail themselves of the provisions of the trust deed whereby they may exercise their rights of foreclosure, that is call for the payment of the whole sum, sell the shares and other securities that they hold for their bonds, and become practically, to all intents and purposes, the owners of the enterprise subject to the first mortgage bonds. That, I think the house will observe, is all they stipulated for when they made their advances of money on the security of the bonds, but to-day the parent company whose shares are their security has, subject to the observance of the terms and conditions of the order in council, a title to the water, which title it did not have before the investigation and which arises by reason of the fact that the 53,000 cubic second feet have been granted to them on the terms and conditions mentioned in the order in council under an act of the parliament of Canada which was assented to last year and declared effective by proclamation, I think on March 1 last.

Mr. DUFF: Will the bondholders be represented on the new directorate?

Mr. BENNETT: We have not got that far yet; I was just going to mention that. What action the holders of the $30,000,000 of the collateral trust bonds now in default may take is a matter for them to determine. There is a provision whereby the company may by extraordinary resolution appoint a committee in the meantime, which right I understand has been exercised; but the debenture holders themselves under the provisions of this trust deed may meet together and have a regular meeting for the purpose of determining what action they desire to take with respect to their enterprise, and it rests with them either by proceedings under the trust deed itself in the manner therein prescribed, or by arrangement, whichever is thought the more desirable, to determine what action they shall take.

In answer to the hon. member for Antigonish-Guysborough (Mr. Duff) may I point out to him that subject to the first mortgage bonds the debenture holders may, if they so desire, by appropriate proceedings become the owner of every share of stock of the parent enterprise to which I first referred, namely, the Beauharnois Light, Heat and Power Company. The question of being represented on the board is not the question at the moment for they themselves may become the proprietors of an enterprise subject to the bond issue which I have mentioned.

14. It has been suggested that the government should guarantee the bonds of the enterprise and that other proceedings of various kinds should be taken. But we have now discharged our duty to these debenture holders, as they are called, the holders of these second mortgage collateral trust bonds of the enterprise. We have not only observed in detail and scrupulously the obligations which as I indicated to this house we regarded it as our duty to undertake, namely, (a) securing the continuance of the enterprise and (b) securing the rights of those who bona fide put their money into the enterprise, but I fancy that we have done that more scrupulously than they ever expected that it would be done, for it will be observed that of the total par value of these $30,000,000 bonds a little more than half, certainly not seventy per cent, became available for the enterprise, and two years' interest, $3,600,000 was paid back to them out of their own money. In addition it will be observed that the moneys paid to the syndicate—

Mr. STEWART (Edmonton) The $3,600,000 interest that is provided for in the agreement, and nothing beyond that?

Mr. BENNETT: Yes, the $3,600,000 provided for in the agreement.

Mr. STEWART (Edmonton): The amount set aside for interest was specifically mentioned?

Mr. BENNETT: I want to make that quite clear. Paragraph 2 (a) of Article nine provides for interest up to the first day of October, 1931. That paragraph reads as follows:

> For the payment from time to time of the instalments of interest falling due in respect of the bonds up to and including the interest payable on the first day of October, 1931 (October 1, 1931).

That is the limit as to date. In other words, the payment out of their own money of the interest for the two years.

[Mr. Bennett.]

Mr. STEWART (Edmonton): And not beyond in the construction period?

Mr. BENNETT: No, not during the construction period, for in the prospectus upon which the securities were sold it is apparent that it was never expected that the work would be completed for the purpose of supplying either in partial form the contracts entered into or the whole until at least October, 1932—

Mr. STEWART (Edmonton): That is why I asked the question.

Mr. BENNETT: I want to make clear that there is no provision in the documents that we have seen, and they tell us that these are the only relevant documents for interest after the first day of October, 1931.

Therefore we have secured during the interim control and management and it is so satisfactory, the engineers certify, that their expectations both as to the amount of work that would be done by a given date as well as the cost of it have been more than met, and we have taken such other steps as we think a government might reasonably be expected to take, and perhaps many in this house will think perhaps more than we might reasonably be expected to take, to ensure that they have not only the continuance of their enterprise but their water rights, available for the parent company on the security of the shares of which the advances were made, and to-day they are in a better legal position than they were prior to the date of the passing of the statute of last year and the order in council based thereon.

15. I have further heard it suggested that the language used by me last year contemplated that we were going to guarantee the payment of interest on these second mortgage securities. That is the reason that I have taken the trouble to read the exact words as they appear in Hansard as used in the House of Commons. Further, I think the answer is more complete when I state this, that the securities themselves, instead of rising in value, have decreased in value, which indicates at once the understanding that was placed by the public upon what we undertook to do and have done. In no event was it ever suggested that we should do more than protect them to the extent to which they protected themselves; and to the extent to which they have protected themselves, we have protected them. In addition to that we have gone further and secured for them, through the parent company as I have said, water rights that are beyond any possible chance of being attacked.

16. As to the future, that is a matter, as the house will see, as to which the second

mortgage debenture holders, or the collateral trust bond holders, whichever term you desire to use, must in the very nature of things, take such steps as they think appropriate for the purpose of exercising the rights that are created and granted to them under the terms of the trust deed to which I have referred. We have indicated, as I said at the very threshold of my observations, that as this project was by common consent, alike by the late administration and by this, treated as an undertaking that was a link in the St. Lawrence waterway and that the canal should be a canal that would be available to navigation if as and when that undertaking is proceeded with—we have indicated our willingness to take a very reasonable view of the situation, that is, as to the extra cost involved in constructing a canal for navigation, and if a plan of reorganization is arrived at the government will consider sympathetically, at least, any proposal that may be made involving the acquisition by the government of first mortgage securities to the extent to which the cost might represent the extra cost of the canal for navigation as distinguished from power purposes. But that in any event would not involve us in any payment that would not be repaid under the terms of the bonds themselves. In other words, it might be advisable and in the public interest that by the acquisition of first mortgage bonds funds may be provided in the same way as from any purchaser, for the purpose of enabling them to carry forward the undertaking to which they are now committed and in which they have placed their money to the extent I have indicated from the documents I have read.

17. I think, Mr. Speaker, that that covers the position so far as I can place it before the house at this moment. I think it answers the questions that have been asked by the various members of the house during the last few weeks, and I offer my apologies, sir, for having trespassed so long on the time of the house, but there was no method which I knew of by which the matter could be clearly placed before the house other than by the reading of the documents which refer to the undertaking and its present position.

Mr. WOODSWORTH: Might I ask whether the government concedes the claims of the province of Quebec with regard to the water powers or whether the government would consider placing before the supreme court a stated case as to the ownership and jurisdiction of water powers on the St. Lawrence?

Mr. BENNETT: I may say in answer to the hon. member for Winnipeg North Centre that the question has already been submitted to the supreme court. The answers are unsatisfactory; I think that is a fair way to put it. But having regard to the relation of this enterprise to navigation, and to its being a unit in the development of the St. Lawrence waterway, I see no reason why at this particular moment that should be done. It is not improbable that some day the question will be determined on a concrete case, but references by questions have always been found unsatisfactory. The privy council has itself indicated that it very greatly preferred that such should not be done, that it did not feel itself bound by the answers when a concrete case did arise, and further that the opinion thus given in answer to questions was not better than that of the law officers of the crown. For these reasons I am greatly disposed always to avoid references on abstract questions when concrete cases may ultimately determine the issue.

Mr. GARDINER: Has the Prime Minister any objection to placing on Hansard the agreement between the Beauharnois Light, Heat and Power Company and the Montreal Light, Heat and Power Company—the whole agreement? The Prime Minister has read an extract from it, and it is a very important document.

Mr. BENNETT: If the house desires I will hand the agreement to Hansard, so that not only paragraph 10 but the whole of the contract may be printed. Obviously however that could be done only with the consent of the house, because it is not part of the particular matter to which I referred. If it is desired however I shall be very glad to do so. It might be put into votes and proceedings—

Mr. GARDINER: That would be all right.

Mr. BENNETT: The Minister of Trade and Commerce suggests it would be preferable to put it in votes and proceedings.

Mr. GARDINER: That is satisfactory.

Mr. WOODSWORTH: It seems to me that this is not an abstract question in the sense it was a few years ago, when the first presentation was made. To-day it is a very concrete question, and as such it is in an altogether different position.

Mr. DUFF: Mr. Speaker, may I ask the Prime Minister if re-organization has yet taken place and if the nine gentlemen mentioned by Mr. Wilson, as directors, have been appointed, or if the government has appointed the two they are to appoint?

Mr. BENNETT: I hope my hon. friend from Antigonish-Guysborough follows me

when I say that it is now no longer the prerogative of the power corporation to appoint directors, for the debenture holders—that is, the collateral trust bond holders, as they are mentioned in the trust deed—can in the ninety days now avail themselves of their rights. In the meantime the directors, less the three whose resignations have been accepted, are carrying on.

Mr. WOODSWORTH: Am I going too far in asking whether or not there is a very great distinction between the situation at this time and the situation at the time when the former questions were submitted to the supreme court?

Mr. BENNETT: Mr. Speaker, the hon. gentleman is undoubtedly correct in saying there is a difference, but the difference is not such as would be reflected in any questions which might be framed. I endeavoured to make clear that the mere framing of questions, however carefully and intelligently it may be done, is fraught with no final result, or brings about no final determination, for the reasons given by the privy council itself. They are no better than an opinion of the law officers of the crown. But it is competent for litigation to be instituted and the matter determined in the light of evidence submitted.

Mr. STEWART (Edmonton): In the event of the second mortgage bondholders taking action, as they are entitled to do, on the date fixed, would there be priority for all the issue of the first mortgage bonds, or only such as are hypothecated for purposes of carrying on the enterprise.

Mr. BENNETT: That is very difficult for me to answer, as a matter of law, without going into the matter with some care. Offhand I would say the courts would determine that the advances made would be the determining factor.

Mr. SPEAKER: May I suggest that if the document to which the Prime Minister has referred is to be put in the votes and proceedings, it should be laid on the table of the house.

Mr. BENNETT: I was going to move, with the consent of the house, that we now revert to motions so that I may move that a copy of the agreement in question be laid upon the table.

Mr. STEWART (Edmonton): May I ask that the agreement with the government arising out of legislation also be laid on the table.

Mr. BENNETT: That order in council was filed some days ago.

[Mr. Bennett.]

Mr. SPEAKER: The house will revert to the order for motions.

Mr. BENNETT: I move, with the consent of the house:

That the agreement between the Montreal Light, Heat and Power Consolidated and the Beauharnois Light, Heat and Power Company be laid upon the table of the house and printed in the votes and proceedings for this day, together with a copy of the order in council, P.C. 504 dated the first day of March, 1932.

Motion agreed to.

WINNIPEG POSTAL STAFF

On the orders of the day:

Hon. ARTHUR SAUVE (Postmaster General): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Woodsworth) on Thursday last called the attention of the government to a circular issued by my department in regard to the hours of duty and the elimination of payment of overtime to post office employees. Unfortunately I was absent from the house last week, owing to illness, and was not in a position to furnish an answer. At this point I should like to thank the Prime Minister for his statement, and the reasons he gave the house for my absence. I am pleased to hand the hon. member a copy of the circular to which he has referred together with a statement setting forth the necessity for departmental action. After reading the statement and my explanation, if the hon. member desires to make further observations I shall be pleased to listen, and to give him what he requires if it is available.

Mr. J. S. WOODSWORTH: (Winnipeg North Centre): Mr. Speaker, the Postmaster General has not answered my question; I have read the circular. I asked whether his department was going to alter the agreement which had been in operation for years, and was going to increase the hours of work.

Mr. SPEAKER: Order. The Postmaster General has given what he considered to be an answer, and the matter is not debatable.

Hon. P. J. VENIOT (Gloucester): Mr. Speaker, I wish to ask the Postmaster General (Mr. Sauvé) if he will lay on the table of the house the new regulations regarding the hours of work of post office employees referred to by the hon. member for Winnipeg North Centre (Mr. Woodsworth) last Thursday.

Hon. ARTHUR SAUVE (Postmaster General): I will do so with pleasure.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Thursday, April 14, consideration of the motion of Hon. E. N. Rhodes (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Ralston, and the proposed amendment to the amendment of Mr. Gardiner.

Mr. H. A. MULLINS (Marquette): When the house adjourned on Thursday night I was endeavouring to place on Hansard some of the reasons for the low cost of farm commodities, a subject referred to by the hon. member for Southeast Grey (Miss Macphail) and the hon. member for South Huron (Mr. McMillan). They spoke of the great difficulties affecting agriculture, but they offered no explanation for its being in its present shape. I have endeavoured to satisfy myself why the primary products of the farms are selling at such low prices to-day. Take our importations of canned meats. These importations, I may tell my critics opposite, are larger than I expected to find them. From the Argentine, a favoured country with whom we have a treaty made by hon. gentlemen opposite, we imported in 1930 canned meats to the extent of 7,087,820 pounds, from all countries a total of 8,758,250 pounds; in 1931 our total importations amounted to 5,992,336 pounds. All critics thrive during a depression; that is the time they get their work in. I wonder if our critic from Southeast Grey endeavoured to find out why our farm products were affected to that extent? We are told the price of hogs is low,—four cents a pound. I admit it, but there is a reason for this low price. As I told the house before it adjourned on Thursday night, a corporation in the city of Toronto imported two carloads of hams on July 28 and 29, 1931, from the United States. They brought them in under a duty of five cents a pound, expecting to get away with that duty, but the Minister of National Revenue (Mr. Ryckman) put on a dumping duty, and that firm did not attempt any further importations. But those two carloads broke the market in Toronto by one-half for the Canadian raised product, which is far superior to that imported from the United States. If I were at liberty to tell how those American hogs are raised and fed as compared with the Canadian hogs, I think it would surprise this house, and our people would not buy the imported article. I see my friend from Weyburn (Mr. Young) laughing. I wonder that even he, a low tariff man, would permit American hams to come in and break the bacon market for our farmers. That is why the price of hogs went down a cent a pound. In 1931 we also imported from the United States 8,242,059 pounds of barrelled pork in brine. I want hon. members to get these figures, particularly the hon. member for South Huron. They might have been useful to him when he was telling the house how he intended to help agriculture, although he tries to block us on this side of the house when we are doing everything humanly possible to aid that great basic industry agriculture to get out of the hole. Through the policy of hon. gentlemen opposite that staggering quantity of pork in brine was brought into this country under a low duty. Some of it is even coming in free. It is brought in to ship stores in bond, and is then taken out beyond the three mile limit where it is used by our fishermen. If I had my way I would not permit them to eat that pork because I know how the hogs are raised and fed in the United States. I would prefer to have them supplied with the Canadian fed product. The Americans are getting the benefit of that business. Why won't you protect the Canadian grown product and so protect the Canadian farmer? Before I get out of the Marquette seat I will have protection for the farmer's primary products—protection is abused so much by our critics opposite. I want the Minister of Inland Revenue to listen to this, because I desire him to apply the dumping duty and save the situation in Canada. For the manufacture of cottonseed meal and refined cottonseed oil we are bringing into Canada from the United States 180,169 hundredweight of crude cottonseed oil; peanut oil and refining oil for edible purposes we imported to the extent of 337,163 hundredweight. That product was brought in to compete with the fine lard of this country, the best shortening you can have. These figures have been furnished by the Bureau of Statistics and they must be correct. The imports of cottonseed oil amounted to 8,218,214 pounds and of other vegetable oils, 68,885,823 pounds. The house should consider these figures; this material is coming into this country to compete with our hog raising industry. I see hon. members laughing, but it is nothing to laugh about. They are willing, in the agriculture committee, to talk their heads off about wheat, but the country would be better off if more time was spent in the

discussion of the hog raising industry. Hon. members talk nothing but wheat and then wail and cry that this government is to blame for present day conditions in the live stock industry.

Mr. BROWN: Is the hon. member aware that last session the agriculture committee spent nearly all its time talking about hogs?

Mr. MULLINS: What has been done this last two weeks? Wheat has been the only matter under discussion. There has been some talk about the whiskers on wheat, but nothing about hogs. The committee has been spending its time discussing durum and other varieties of wheat, why does it not discuss pure bred cattle and help conditions in Canada? This country cannot exist without live stock. A farm does not look like a farm unless there are some live stock. When I go on a farm and see a lot of machinery scattered all over, it does not look like a farm to me. As I said some years ago, a sowless and chickenless farm is not the proper type of farm for this country; this country needs mixed farming. The figures which I have quoted give the true reasons why this industry has been driven into the ground by low prices. I have heard the hon. member for Lisgar (Mr. Brown) and the hon. member for Provencher (Mr. Beaubien) speak on the tariff. The following was said a short time ago by the hon. member for Provencher:

> If the hon. members for Marquette (Mr. Mullins), Souris (Mr. Willis), Selkirk (Mr. Stitt), Portage la Prairie (Mr. Burns), Dauphin (Mr. Bowman), Nelson (Mr. Stitt), Springfield (Mr. Hay), and Brandon (Mr. Beaubier) had told their electors that if the present Prime Minister was returned to power he would increase the tariff. I do not believe they would be here to-day. They know that very well, and they know that they told the electors that the Conservative party was not a high tariff party. Can they go back to their electors to-day and tell them that? If they do they will be misleading those who put them in office.

The Conservative party was never a high-tariff party.

Some hon. MEMBERS: Oh, oh.

Mr. MULLINS: Hon. members may laugh if they wish, but that is the fact. For a considerable period I lived next door to the son of that great man, Sir John A. Macdonald; I sat in the provincial houses with him and I have visited him in his home. I have talked over that great national policy of his illustrious father, and he told me that it was never his father's intention that that policy should be based on high tariff principles to injure the consumer. That is not the policy of the right hon. gentleman now leading this government; it is his intention that no oppression shall be placed upon the consumer. Hon. members should not forget that advertisement which appeared in the Journal the other day. Hon. members opposite put the duty on agricultural implements down until it had reached six per cent, but all the time the price of machinery was climbing in price until it finally reached a prohibitive figure. A large manufacturing company in Toronto has reduced the price of machinery by ten per cent and has allowed a reduction of the same amount on all debts due to the company. That means that to-day a binder can be purchased for $28 less than it could have been purchased during the administration of hon. gentlemen opposite. How can hon. gentlemen answer that fact? There is a tariff of 25 per cent on agricultural implements, but the price is coming down. I can remember in 1891 when the duty on agricultural machinery was 35 per cent, a binder could be purchased for $150; under the late administration the duty was reduced to six per cent but the price of a binder had gone up to $281. How can hon. members explain that to the electors? Put the tariff up just as long as the price of the machinery comes down. I want some degree of protection to save this great agricultural industry for the people of Marquette. I met the president of the Massey-Harris Company in front of this building and told him that he never would be able to sell machinery in western Canada with the present low price of wheat. The farmer needs new machinery. I helped a friend of mine for half a day to repair an old mower. There was a broken cog in one of the wheels and we were trying to get the machine together. The price of machinery must be lowered or the western farmer will be put out of business.

This is an answer to the free trade critics on the other side. Free trade is not possible in this country, when all countries have protection. I remember some years ago when I was in England walking around the tower of London, I wondered why so many men were loitering around the tower. I asked one man and he told me he was out of work. He said he had worked for forty years for one company without losing a day's work, but that they had put up two poles, one bearing a large loaf and the other a small loaf of bread and he was asked to vote for the large loaf. He told me that his present condition made it impossible to buy the large loaf and that if he had realized what he was doing, he would have voted so that he would have had sufficient money to buy the small

loaf. At that time he was receiving only one day's work per week, and that was the result he obtained from free trade. Germany entered the British market and undersold the home product, and this man was put out of work. We cannot have free trade with protection all around us.

I am sorry the hon. member for Southeast Grey is not in her place. I do not know why she always leaves the chamber when I speak. It may be because I am not very interesting or because of my grey hairs. I shall not discuss the tariff any longer, but will go on to another matter. I find in this morning's Journal a severe criticism of the project which has been the hope of western Canada and which was to assist in the moving of our products. I am referring now to the Hudson Bay railway. The people of western Canada have been living in hopes of being able to ship their produce out of that country by some means or other, and if it is not to be by way of Hudson bay, then let us deepen the St. Lawrence waterway, so that we may be enabled to ship our products out; because no man can farm and pay present freight rates. This article on Hudson bay is just another one of the Journal's pipe dreams. It published a good many articles of the same kind when I was here in 1926; it did not give a tinker's curse for Mullins or anybody else who had anything to do with the Hudson Bay railway. I ask hon. members to read for themselves the statements made in that article with regard to navigation in that great channel. That channel is navigable; it can be made navigable, and I hope to live to see the day when liners will be going out of there in large numbers.

Now I come to the question of unemployment. This country is filled with the unemployed and the great question is—What shall we do with them? There is just one answer: they must go back to the land. They must be taught that tilling the soil is not a disgrace. They left the land a few years ago and crowded into the cities, which to-day are filled with unemployed who will do any kind of menial work. A good many men want to be doctors, preachers and lawyers, and they will do anything so as to escape the drudgery of the farm. These men must be turned back to the land. They must become producers; they must make homes on the prairies. I want to see men happy and comfortable so that they will be contented citizens.

There is another thing I want to mention with reference to the unemployed who appeared on parliament hill a few weeks ago. On that occasion I happened to walk down from the building and it struck me forcibly, as I looked at the sidewalks, to see it littered with cigarette butts. I wondered what the idea was. Before I leave this House of Commons, Mr. Speaker, I am going to bring in a resolution to prohibit the news stands from selling cigarettes to minors. Just think of what you see in the streets of the cities to-day. A little girl of fifteen driving a motor car, with a cigarette stuck between her fingers. A short time ago I was driving my daughter's car in Toronto when one of these little girls nearly smashed into me, and all I could see was her nose above the wheel and a big cigarette in her fingers. These girls will never make mothers. I leave it to any medical man in this house to say whether I am right or not. I want to read into Hansard a statement that appeared in the Toronto Star some time ago, bearing on this subject, because it will show what sort of women these girls will make when they grow to womanhood. Youngsters of twelve and fourteen years will go up to news stands and buy cigarettes, in one of these cheap cigar places. A well-regulated cigar store will not sell cigarettes to minors. What are our provincial governments doing? A few days ago I saw a gentleman from the city of Ottawa taking four delinquent boys to Toronto. When he got off this side of Toronto to go to the home, one of the little chaps pulled a cigarette out of his pocket and lit it behind the gentleman's back. It was easy to see where that boy would land in later life. It is these boys and girls that I want to save. In the Toronto Star on March 19, there appeared the following:

> Surely it cannot be that in the face of such evidence as that furnished by Mayo Brothers, of the Rochester Clinic, of Dr. Kellogg of the Kellogg Institute, Dr. D. H. Kress, neurologist, Washington sanatorium hospital, and countless others, the publishers of The Star would want to see the girls and women of Canada become addicted to the cigarette. Dr. Kress has said that if young women take up this habit, there will be a landslide in physical and moral degeneracy.
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> At a medical association conference in Chicago in 1928, a woman doctor of Detroit who had made a study of this phase of the cigarette habit, extending over a period of twenty years, reported that 62 infants out of every 100, born to cigarette smoking mothers never lived beyond the second year. A prominent physician in Washington, D.C., stated that of 5,000 maternity cases coming under his observation not one mother was able to nurse her baby, if she smoked cigarettes.
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> They put a leech on the arm of one cigarette smoking woman and the leech died from nicotine drawn from her system. It is to be regretted that such an example should be set the rising generation.

I am not opposed to smoking; I find no fault with a man of mature age who does so. Indeed, there is nothing I like better than to see a man in front of a fireplace, lighting his pipe; but I detest looking at a woman smoking cigarettes. The first woman I ever saw smoking a cigarette was in the city of Rome, Italy. When I saw her light one of these things I thought what a remarkable thing it was. Now you can see scarcely a woman who does not smoke. They nearly all have the pernicious habit in cities.

My time is about up, but I will say this in conclusion. I want the old days back; I do not want present day conditions. Present day conditions will not make Canada what we all want to see this country become. I say: What are you doing? Are you changing? Yes; you have the specialist now. Well, I want the old family doctor back. I do not want the specialist that looks me over first to see how much I have and then takes everything off my back. You can tax a lawyer—and, God help them, we have lots of them here—but you cannot tax one of these specialists. He takes your statement, figures how much you can stand, and then prescribes for you accordingly. Again, I want to see the old storekeeper back in the towns, not the department stores, I want to have the old cattle buyer back in the field—the man who comes to the farmer and says, "How much do you want for these cattle?" And the farmer, with some initiative of his own, states his price and does his own business right there. Give me back the old timers, the conditions we had in the early days, and do away with your new corporations, wheat pools and everything else, that has not competent management.

Mr. E. J. YOUNG (Weyburn): Mr. Speaker, might I be permitted to add my congratulations to the many which the Minister of Finance (Mr. Rhodes) has already received on the clear, concise, businesslike statement he made to the house in his budget address, and the gentlemanly manner in which he delivered it. I was the more pleased with his speech because it revealed some understanding of the problems confronting a minister of finance. In one place he tells us that one of the reasons for the falling off in revenue is that the government has been pursuing its policy of "buy made-in-Canada goods." I hope my hon. friend will not hold it against me if I use some of his own figures to prove he was correct in that statement. He tells us that our imports last year for the eleven-month period were some $521,000,000, while for the same period in the previous year they amounted to $831,000,000, or a decline of some $310,000,000. The average duty collected on all imports, dutiable and free, averaged 20 per cent last year. If the government had not shut out that $300,000,000 worth of goods which they claimed they did shut out by their policy, and the $821,000,000 worth had been allowed to come in, at the rate of duty collected the customs revenue would have been $166,000,000. Actually it was a little less than $103,000,000, or a decline of some $63,000,000 from what it might have been. The government tell us they have shut out these goods. The minister tells us the falling off in revenue is due to that fact; he also tells us that last year there was a deficit of some $51,000,000 on ordinary account. If those goods had been allowed to come in at the average rate of duty collected, we would not have had a deficit of $51,000,000 on ordinary account; we would have had a surplus of from $10,000,000 to $12,000,000. I hope the minister will consider this next year when he wants to increase his revenue and when he wonders how the Liberal party, when they were in power, always had surpluses.

There is in the budget one item with which I wish to deal seriously. Last year a special excise tax of one per cent was imposed for the first time and this year it has been increased to three per cent. I do not know why the government call it an excise tax, because it is a straight customs duty imposed on everything that comes through the customs, and on nothing else. Ostensibly it is three per cent, but actually it will amount to four per cent. The reason is that it is pyramided on the duty; it is a tax on a tax. If an article is worth one dollar and carries a duty of 35 per cent, the duty on that article will amount to thirty-five cents and the duty paid value will be $1.35. This three per cent excise tax will be levied not on the invoice value but on the duty paid value, that is three per cent on $1.35, which is a little over four per cent of $1. Therefore this tax, which is ostensibly three per cent, will really amount to four per cent.

But that is not the worst feature of the tax. Its worst feature is that it takes more money out of the pockets of the people than it puts into the revenue of the country. As nearly as I can estimate, the amount of goods imported during the coming year will be $600,000,000 or less. Four per cent on that will amount to less than $25,000,000, which is the most we can possibly expect in the form of revenue to the government from this tax, and, I believe that is a very generous estimate. Levied as it is on all goods coming through the customs, it will have the effect

of increasing the price of those goods to the Canadian people. Thus it will invite our Canadian manufacturers to increase their prices by a corresponding amount. Last year we produced in Canada some $2,917,000,000 worth of manufactured goods, of which we exported some $475,000,000, leaving upwards of $2,400,000,000 worth of goods manufactured in Canada to be consumed in this country. This tax invites our manufacturers to add four per cent to the price of all those goods which they sell to the Canadian consumer. That would amount to approximately $100,000,000. But some say the manufacturers may not take full advantage of this. I am willing to admit that; I will grant you that some of our manufacturers have been wise enough, enlightened enough, not to take full advantage of the tariff; they have not advanced their price to the full limit. But the majority of them do so. I shall be very generous; let us say that instead of collecting from the people, under the shelter of this tax, $100,000,000, as they might do, they take only 50 per cent or $50,000,000. Then the people of Canada will, because of this tax, have paid into the treasury, $25,000,000, and into the pockets of the manufacturers, $50,000,000. In other words, at a time when it is imperative for a return of prosperity that the greatest possible amount of purchasing power be left in the hands of the people; at a time when the government's own financial position is such that it is imperative that every dollar taken from the people by way of taxation find its way to the treasury, at such a time the government adopts a tax that will take three dollars out of the pockets of the people for every dollar it puts into the revenue.

I am sorry the Minister of Trade and Commerce (Mr. Stevens) is not in his seat. In his address the other night he propounded a question to which I gave an answer. I answered it at the time with one word "No." I want to answer it to-day in another way. The question was something like this: "Assuming," he said, "that a country with a depreciated currency has been shipping goods into Canada at prices that were injurious to Canadian producers, would the government be justified in using its power to exclude those goods"? The answer I gave him was "No." I want to answer him to-day by asking another question. Let us suppose those goods were boots and shoes. We know thousands and hundreds of thousands of our people in Canada are in need of boots and shoes and cannot afford to buy them. The question is this: Assuming a country with a depreciated currency, or with a currency that is not depreciated—or, indeed, with no currency at all, for any difference it makes to the argument—undertakes to ship boots and shoes into Canada and to give them away for nothing; would the Canadian government be justified in saying to the people who need boots and shoes: You must not accept those boots and shoes which are offered you for nothing; you can walk on your uppers; you can go in your bare feet until such time as you can afford to buy boots at prices at which our own manufacturers are willing to sell. I should like to get to that question a straight answer, yes or no, and I am sorry the minister is not present to give it.

Might I say a few words in regard to the Imperial conference, because I know the government wants my advice in this matter. The guiding principle which should actuate our delegates, whoever they may be, to the conference, should be this, that the only way the conference can be of any benefit to Canada or any other part of the empire, is by increasing trade, not by diverting it. Diversion of trade from one place to another does not add to wealth. Increase our trade by all means, but do not do anything to injure any of the trade that now exists. At present, 23 per cent of our imports are bought within the empire and 77 per cent outside it. Of our exports, 36 per cent are sold to the empire and 64 per cent to the outside world. More than two-thirds of our external trade is with countries outside the empire, and it would be a calamity if the government should jeopardize that two-thirds of our trade in the hope of increasing the other one-third which is carried on within the empire. A bird in the hand is worth two in the bush, but no one would ever think of giving two birds in the hand for one in the bush.

From remarks made by some hon. gentlemen opposite one begins to think the government may have some plan in mind for making at the conference arrangements under which tariffs will be so manipulated that goods from other parts of the empire will receive a preference if they come directly to our own ports over similar goods that might come by other routes. If they have any such notion as that in their minds I would warn them that it is fraught with grave danger. If our manufacturers or our citizens are buying goods from other parts of the empire, but not buying them in the country of origin, it must be because it suits their convenience to do so, and any attempt to force them to buy where

it does not suit their convenience might have a disastrous effect on their business. If our rubber manufacturers, for instance, find it profitable to buy their raw rubber in New York instead of in Malay where it is produced, it must be because it pays them to do so, and if at the coming Imperial conference tariffs should be so arranged as to force those manufacturers to buy their raw material in the country of origin and bring it directly to Canada through our own ports, it might conceivably have the effect of adding so substantially to the cost of that raw rubber that our manufacturers would not be able to compete in the world's markets.

We also hear rumours of plans being made to establish complementary industries within the empire—that is to say, assigning different industries to different parts of the empire; saying to Canada, for instance, you are better suited to the production of such and such products, so you confine yourself to them; saying to Australia, you are better suited to producing these products, so you confine yourself to them; and so on. I do not think that any government, even this one, would be foolish enough to adopt such a policy as that, and hence I shall not waste any time on it.

But there is one matter that is of vital concern to us all, and that is those sections of our Customs Act which give the minister power to fix values for duty purposes, and thereby to raise the tariff at will. I refer to sections 35 to 43 inclusive, of the Customs Act and to the dumping clause in the customs tariff. So long as those sections remain on our statute books any agreement that may be entered into at the conference will not be worth the paper it is written on. It will be absolutely worthless. If at this conference, with these sections still on the statute books, our government should make an agreement with the governments of other parts of the empire to admit their goods into this country under certain conditions, and if the exporters in those countries were then to ship their goods to Canada thinking that they would enter this country under the terms of that agreement, the minister under the clauses I have mentioned could shut out those goods at will. The sections to which I refer should be repealed before this parliament prorogues. Otherwise it is the duty of the Prime Minister at the opening of the conference to say to the representatives of the different governments assembled: "Gentlemen, we are here if possible to make trade arrangements with you, but before engaging upon that task I must warn you that we have certain provisions on our statute books that will enable us at will to raise the duty against your goods and shut them out by that means in spite of any agreement we may reach at this conference." If the delegates from Great Britain and other parts of the empire are wise, they will refuse absolutely to make any agreements with us so long as those provisions are on the statute books. But I want to urge upon the minister the necessity of repealing these clauses before going into the conference, or at least of assuring the delegates from other parts of the empire that they will not be applied against them.

The Prime Minister, in a previous debate this session, made a remark that is rather disturbing. He said that he hoped that at the conference they would be able to discover some means of stabilizing the exchange values of the currencies of the empire. What does that mean? To stabilize the exchange values of the currencies of the empire simply means that we will agree to redeem each other's currencies at certain fixed values. If we should agree to purchase British pounds at the rate of four Canadian dollars to the pound and Britain agreed to purchase Canadian dollars at the price of four to the British pound, and then the Canadian dollar should go below that value, Britain would be in a position of having to redeem our dollars for more than they were worth. The value of a country's currencies depends very largely upon certain factors that are under the control of the government of that country, and not under any outside control. If the various governments were to agree on certain exchange values for their respective currencies, and if one of those countries should see fit to act in such a way that its currency becomes worthless, how can we expect other parts of the empire to redeem that currency at the price agreed upon? We have in this house some who would depreciate our own currency to half its present value. Suppose that at this conference we agree with Great Britain to buy her pounds at four Canadian dollars to the pound, and she agrees to buy our dollars at four to the pound, and then that the men having these ideas as to currency get into power and depreciate our dollars to one-half its present value. Under those circumstances could we expect the British government to live up to its agreement and redeem our currency at the figure agreed upon? The thing is absurd. Backing each other's notes is poor policy for nations, as it is for individuals. Our delegates going into that conference could

not do better than to memorize and keep ever in their minds the words of Edmund Burke:

In politics it not infrequently happens that the magnanimous course is the profitable course. Great empires and little minds go ill together.

I would like to say a few words in regard to the subamendment. It reads in part as follows:

Therefore, be it resolved, that in the opinion of this house, as a first step towards general economic reconstruction, our financial system should be nationalized, and provision be made to issue immediately sufficient money to bring the value of the dollar as speedily as possible to that point at which the major portion of our debts were incurred during the war; stabilize the dollar at this point internally and thereafter manage credit and currency issue to secure and maintain a stable price level within Canada.

The object of the subamendment seems to be to stabilize the price level. In my opinion the trouble with the price level is not that it is not stable, but that it is not level. The difficulty is not the price level but the inequalities within the price level. The existence of society, the very existence of the human race itself on the earth to-day, depends upon the division of labour and the exchange of goods. The world could not sustain her present population by any other means. It is only by the division of labour and the exchange of goods that it is possible for the world to produce enough of the necessities of life to support its present population. But the exchange must be equitable. That is to say, making due allowances for differences in skill and differences in the degree of application with which different men work, the exchange should be on an equal basis, that one man's labour is equal to that of another. One day of your labour ought to be as valuable as one day of my labour, and the product of your day's labour should exchange for the product of my day's labour. But that condition does not prevail. We all know, we see on every hand, men drawing big wages for rendering very little service. We also see men rendering valuable service and receiving very small wages. These are inequalities that must be ironed out. It is not so much the price level as the inequalities within it.

We have been told in this debate that the price of primary products to-day is just fifty per cent of what it was two years ago and that the price of manufactured goods is eighty-five per cent of what it was two years ago. If you adjust the price level, raise the whole level as my friends to my left would, by inflating the currency, what would happen? You would bring back the price of primary products to one hundred per cent of what it was two years ago, and at the same time you would raise the price of manufactured goods to one hundred and seventy per cent of what it was two years ago. Can you solve the farmers' problem in that way? As at what date, I ask you, would you stabilize the price level? My friend says that he would stabilize it at the price goods were when most of our debts were incurred. I make this challenge: Name any date you like in this century, in the last century or in any other century, and say that you would stabilize the price level as of that date; I will prove to you that the price level at that date was not equitable, that prices within the level were not fair and just to all. This proposal to correct things by raising or lowering the whole price level will never iron out those inequalities. What is the trouble in Canada to-day? Is it not this: We produce a certain limited variety of commodities, and produce them in vast quantities—more than we can use ourselves. We have a surplus of those commodities which we must sell abroad. When the producers of such commodities can sell their goods abroad they receive in exchange purchasing power, which goes into circulation in Canada and creates employment in all other forms of industry. At the present time our primary producers, those of us who produce goods for export, find they cannot sell their exportable surplus. They have no purchasing power with which to buy other goods in Canada. They have to reduce their staffs. Those from whom they are in the habit of buying have to reduce staffs, bringing about the unemployment and the trouble we are having to-day.

The subamendment proposes to remedy this condition by some change in our financial system, by some change in our currency system, or some change in our banking system. I ask hon. members this question: Why can we not sell our wheat? The Minister of Trade and Commerce explained the reason the other night, namely that European governments have decided not to admit it to their countries. The same applies to our newsprint, our lumber and practically everything we have to sell. I ask my hon. friend from Acadia this question: What change will you make in our banking system; what change will you make in our credit system; what change will you make in our currency system that will persuade the people of Europe to buy our wheat, if their governments will not allow them to import it? What change will you make in our banking system;

what change will you make in our credit system; what change will you make in our currency system, that will give us a better price for our wheat, if our own government will not allow us to bring that price into the country when we get it?

I think I understand the argument concerning inflation. They say the farmer to-day is loaded with a vast burden of debt which he incurred during a period of inflation and which he now has to liquidate during a period of deflation. They say when he borrowed $2,000 a few years ago he was borrowing the equivalent of a thousand bushels of wheat. To-day he has to pay it back with the equivalent of three thousand bushels of wheat. That is true. A real difficulty arises there. But I ask hon. members this question: Who hold the mortgages on the farms of this country? Most of them are held by the great life insurance companies, and when loaning money on mortgage most of those life insurance companies insist that the mortgagor take out a life insurance policy for an amount somewhat larger than the face of the mortgage. That has had the double advantage of increasing the life insurance business and improving the security of the loan.

Let us consider the case of the farmer who mortgaged his farm for say $2,000 during the period of inflation, and took out a life insurance policy for $3,000 at the same time. If the proposals in the subamendment were carried out and the dollar depreciated to half its present value, that man would be able to pay his $2,000 mortgage with 2,000 fifty-cent dollars, but the insurance company when his policy becomes due could pay him off with 3,000 fifty-cent dollars. Will that help the farmers? I do not think so. He will find that the rule works both ways. In the subamendment there is a suggestion to go back to the time when the debts were incurred, to a period of inflation. Is it not strange that these debts were incurred during a period of inflation, and yet my friends in the corner ask for another period of inflation?

When are debts incurred? Certainly always during periods of inflation. If a man familiar with the economic history of the human race had twenty years ago been transported to the northern wilds and kept there in absolute ignorance of everything that has since happened in the world, and were brought back to-day and presented with a statement of the present debts of our people as compared with the debts we had twenty years ago, and were asked his explanation, his answer would be, "You must have gone through a period of inflation." It is always during periods of inflation that we get into debt. This is how it works: money becomes cheap; every dollar is torn in two and each half is called a dollar. We are handling more counters. We think we are prosperous. Land values go up; every man tries to buy his neighbour out—goes into debt to do it. The price of stocks goes up—but not in real value, only in the number of counters. When stocks begin to go up everybody begins to speculate. We buy stocks in the morning at 50, and by night they have reached 60. Then we think we have made a profit of ten dollars. We feel rich and begin to live accordingly. Money is plentiful and easily borrowed; credit is easily obtained, and with that credit we buy more houses, more cars, finer furniture, finer clothes, consuming real wealth and giving worthless paper in exchange. That is the story of inflation. Inflate the currency again, and what will happen? There would be another boom in real estate, another boom in common stocks, another period of wild speculation, another period of living beyond our means. Then some fine morning we would wake up to find ourselves more hopelessly in debt than ever.

Mr. STEWART (Edmonton): That would be the time to sell out.

Mr. YOUNG: Yes; everybody thinks he will sell out just before the crash comes. The unfortunate fact is however that he does not do so. When one man sells another man usually buys. Somebody is always caught.

I think the most unjust and immoral suggestion that has been made in this house since I have been a member of it was made by the hon. member for Acadia when he suggested we should tax the savings of the people into circulation. These are his words:

> If I were the minister of finance just for long enough to bring in the budget I would take the attitude that under present conditions we are justified in taxing those enormous savings into circulation.

I do not know what justification he can find for such a statement. We will suppose that two men working side by side receive their pay envelopes on Saturday night. One goes to town and spends his money, having a good time. The other takes a more serious view of life and says, "I will not spend all my money; I should like to save a little for my old age. I should like to educate my children when they grow up." He spends half his income and saves the other half. Surely he is entitled to his savings. If it is taken away from him, what happens? If we tax the savings of the people as suggested, we are taxing those men who make it possible for us to live in our houses. No man can build a house without

borrowing money, or at least using someone else's savings. A man either has to save his own money or use somebody else's if he intends to build. If that money is taxed and taken away from him, what will he do? He will have to live outside until he can build his own home. If you tax that money into circulation you say to the banks, "Give us the savings of the people." What will the people do? They will take their money out of the banks and put it into their stockings—the first national bank.

Mr. CAMPBELL: They might put it into government bonds.

Mr. YOUNG: Yes, and encourage the government in its extravagance. How would you get that money into the hands of the unemployed? How are we to get it into the hands of those who cannot pay their debts? These are the questions with which we are faced. The people will say, "We cannot put our money into the banks, so we will put it into stocks."

An hon. MEMBER: Or socks.

Mr. YOUNG: Stocks or socks, yes. If it is put into socks, it is hidden away and is of no use to anybody. If it is put into stocks—

Mr. RYERSON: Would it be the socks the hon. member exhibited in the house last year?

Mr. YOUNG: If my hon. friend wishes to see those socks he may do so any time he likes. If he puts it into stocks he will be investing it in more plant and equipment to which my hon. friends in the corner object.

And now, for a moment, I should like to deal with the suggestion made by the Minister of Trade and Commerce (Mr. Stevens) to the effect that we might restore prosperity by artificially increasing the value of silver in its relation to gold. A few nights ago he made a very elaborate argument to prove that our trouble to-day is due to the fact that gold has become very dear. He said the fall in the price level had been the cause of all our trouble. As we measure everything by gold, a fall in price level means a rise in the price of gold. The minister says we can bring prosperity to China —which uses silver as her standard—by doing the very thing with their standard that has been done with our standard, and has brought disaster upon us. He says we should artifically increase the price of silver in China. If an increase in the price of our standard has resulted in disaster in this country, would not an increase in the price of China's standard have the same effect in that country? He seems to labour under the impression that China buys its imports with silver. China does not buy goods with silver; she buys silver with goods. China has no silver mines. She buys her silver from us, from Mexico, and other countries that produce it. If you artificially increase the price of silver you compel the Chinaman to give you more goods for the silver he wants. Can you restore prosperity to China in that way? I am afraid the Minister of Trade and Commerce was a little loose in his thinking on that occasion.

Coming now to the gold standard, are we or are we not on the gold standard? Some say we are not. We are not; and we are. In so far as redeeming our dollars in gold is concerned, we are not on the gold standard but in so far as measuring values is concerned, we are on the gold standard and we cannot get off it. Our values are still measured in gold, and when we divorced our dollar from gold, our dollar, still being measured in gold, dropped in value to eighty cents, the amount of gold it was worth. The law says so many grains of gold is a dollar, but the law does not say what that many grains of gold will buy, and when we said, "We won't give that many grains of gold in exchange for the dollar," then the business men of the world, and the public generally, the people said, "Well, we will give you for your dollars just exactly what it is worth in gold." I do not agree with the member for Wetaskiwin (Mr. Irvine) when he says gold was chosen by Sir Robert Peel as the standard because it was pretty and could be cut up in pieces without hurting it. That was not the idea at all. Gold was chosen as the standard of value because in every country, in every age, and under all conditions, it was the one commodity that men were willing to take in exchange for whatever they had to sell. It did not matter what you wanted to sell, where you were, when or under what circumstances, you would always take gold for it. It did not matter what you were trying to buy, people would always be willing to accept payment in gold. The governments of the world in selecting gold as the standard of value simply said: "We recognize this condition which already prevails." That condition prevails, because, as my friends said, the metal has a certain quality in itself. It is imperishable; it is convenient to handle; it can be cut up without injury; it is attractive in appearence.

Mr. CAMPBELL: It is the most useless metal mined.

Mr. YOUNG: Maybe, but the human race are willing to give work in exchange for it.

Mr. CAMPBELL: You cannot make an axe out of it.

Mr. YOUNG: I say the human race are willing to take it in exchange for anything they have to sell, and it is the only thing they are willing to take in exchange. It is no concern of ours whether the metal is of any practical value or not, whether they want it to eat or to wear. The essential thing is that they are always willing to take it in exchange for what they have to sell. That is the reason why gold was chosen as a standard. It has an advantage too. Speaking broadly, the value of anything should be determined by the human labour required to produce it. It would be impossible to determine the value of one man's labour for a day against the value of every other man's labour for the same time, and it was necessary to find some commodity whose value was determined, as I said, speaking broadly, by the amount of labour required to produce it, and which varied in value very, very little. There is nothing produced in the world to-day that I know of the labour cost of whose production varies so little as that of gold. That is one of the great advantages of the gold standard. My friends object to it because it does not vary. They want a measure that does vary. But the mariner must always steer by a fixed star, not by a wandering comet. If we are going to determine the values of other things we must have something stable to measure them by. It would not do for us to measure to-day by a thirty-six inch yard stick and to-morrow by a thirty-eight inch yard stick. We want something that varies less than anything else —and gold is that thing. Those who would abolish the gold standard and put something else in its place must find some other commodity that has all the advantages of gold and that will not vary in labour cost any more than does gold.

Mr. HEAPS: What are they doing in England just now?

Mr. YOUNG: As I said, as a measure of value, England is not off the gold standard any more than we are. True, she is not redeeming her pound in gold, but gold is the measure of value to-day just the same as it was before, and that is the reason why the pound is down so low. Its value is being measured in gold and people will not give as much gold for it as formerly.

Mr. HEAPS: Is not the pound the measure of value. Not gold?

[Mr. Young.]

Mr. YOUNG: No, gold is the real measure of value, and because the pound is not redeemable in gold it has lost its value.

Now, in regard to the proposal that we should nationalize our banks, again I say I cannot agree with the subamendment. What would you do if you nationalized the banks? You would have to set up some sort of body to control them. Who is going to control that body? Would you set that body up independent of everybody else, a self-perpetuating commission not answerable to anybody, and let that commission do as it liked with currency and credit? If not, then you will have to make them responsible to somebody. To whom will they be responsible? To this house, to this parliament. And being responsible to parliament means being responsible to the government of the day. I ask my hon. friends in the corner if they would like to go into an election with all our banks under the control of my hon. friends opposite? Of recent days we have had some light cast on the inner workings of some of our government institutions. Don't you think there is too much political interference? Can you have such government control without political interference? If we made such a body responsible to the government, the government would be held responsible for their actions and they—the government—would have the right to control.

Mr. COOTE: Is my hon. friend trying to discredit the political party system?

Mr. YOUNG: No. I should like to quote a few words from John Stuart Mill's essay on Liberty in regard to this movement to put everything in the hands of government. He says:

> Every function superadded to those already exercised by the government causes its influence over hopes and fears to be more widely diffused, and converts, more and more, the active and ambitious part of the public into hangers-on of the government, or of some party which aims at becoming the government. If the roads, the railways, the banks, the insurance offices, the great joint-stock companies, the universities, and the public charities, were all of them branches of the government; if, in addition, the municipal corporations and local boards, with all that now devolves on them, became departments of the central administration; if the employees of all these different enterprises were appointed and paid by the government, and looked to the government for every rise in life; not all the freedom of the press and popular constitution of the legislature would make this or any other country free otherwise than in name. And the evil would be greater, the more efficiently and scientifically the administrative machinery was constructed—the more skilful the arrangements for obtaining the best qualified hands and heads with which to work it.

Further on he says:

If indeed all the high talent of the country could be drawn into the service of the government, a proposal tending to bring about that result might well inspire uneasiness. If every part of the business of society which required organized concert, or large and comprehensive views, were in the hands of the government, and if government offices were universally filled by the ablest men, all the enlarged culture and practised intelligence in the country, except the purely speculative, would be concentrated in a numerous bureaucracy, to whom alone the rest of the community would look for all things; the multitude for direction and dictation in all they had to do; the able and aspiring for personal advancement. To be admitted into the ranks—

The ACTING SPEAKER (Mr. MacNicol): The hon. gentleman has spoken forty minutes.

Mr. YOUNG: Will you please allow me to finish this sentence, Mr. Speaker?

To be admitted into the ranks of this bureaucracy, and when admitted, to rise therein, would be the sole objects of ambition. Under this régime, not only is the outside public ill-qualified, for want of practical experience, to criticize or check the mode of operation of the bureaucracy, but even if the accidents of despotic or the natural working of popular institutions occasionally raise to the summit a ruler or rulers of reforming inclinations, no reform can be effected which is contrary to the interest of the bureaucracy.

Mr. F. T. SHAVER (Stormont): Mr. Speaker, I desire first of all to add my congratulations to those already extended by hon. members on both sides of the house to the Minister of Finance (Mr. Rhodes) on the presentation of his first budget. The province from which he comes is comparatively small in area and perhaps small in population as compared with some of the other provinces of Canada, but it has given to the public life of this country many eminent statesmen, and I am quite sure that throughout Canada today there is no one who is regarded in higher esteem than the hon. gentleman who now holds the portfolio of finance, for which he is so eminently fitted by education, by training, by long political experience and, most of all, by great personal ability.

I listened with a great deal of interest to the long address delivered a few days ago by the hon. member for Shelburne-Yarmouth (Mr. Ralston), the chief financial critic of the opposition. His remarks have been echoed and reechoed—sometimes the echoes were rather hollow—by hon. gentlemen opposite who followed. I noticed that his remarks were absolutely one-sided, and I was particularly interested in one observation he made, which appears on page 1421 of Hansard. Criticizing a speech made by the Prime Minister (Mr. Bennett), the hon. member stated that he had substituted information for argument. When I heard that remark I did not think it could be possible, and I verified it my consulting Hansard; I did not believe a man could be criticized for substituting information for argument. Information presented in logical order which is the method always followed by the Prime Minister, is the very best of arguments, and the speech of the Minister of Finance owned its strength to the fact that it was a presentation of that character. After looking through the long speech of the hon. member for Shelburne-Yarmouth, which took nearly two and one-half hours to deliver, one must come to the conclusion that such criticism could not be applied to him, as his speech contained the maximum amount of argument built up on the minimum of information.

One of the criticisms levelled against the present government by many hon. gentlemen opposite who have taken part in this debate is the fact that Canada's foreign trade has declined since this government came into power. We all know that that is simply the result of world conditions, and that the foreign trade of every other country is also declining. I venture to say that if the comparisons were stated not in dollars but in tons, yards and cubic feet, in quantities rather than values, there would not be such a great discrepancy between the figures for 1931 and those for preceding years. The policy of the government now in power has placed the foreign trade of this country in a relatively better position when compared with other exporting and importing countries than it has been for many years past. In a period of depression we can make a correct estimate of whether our foreign trade is advancing or receding only by comparing it with the trade of other nations. According to the statistics for 1930, the last year in which hon. gentlemen opposite were in power, our country was fifth among the importing countries of the world, and in sixth position when exports were considered. In 1931, under the protective policy of the present government, we had dropped to sixth place among the importing countries but had risen to fifth place among the exporting countries. In 1930 we occupied seventeenth position with regard to our favourable trade balance, the favourable relation of exports and imports, but in 1931 we have moved up to fourteenth position. There is absolutely nothing in the arguments advanced by hon. gentlemen opposite in an effort to discredit

the government because our foreign trade had declined.

Attempts have been made during the last and present sessions to belittle the work of the Prime Minister at the imperial conference. We were told by practically every hon. member opposite who spoke last session—some have referred to it during the present session—that the Prime Minister had made a great mistake when he proposed that Great Britain should adopt a protective tariff, that such an attitude would result in nothing but failure as far as the results of the economic conference were concerned. The major and minor prophets on the opposite side of the house said that Great Britain would never forsake her old policy of free trade. There now seems to be a pathetic look on the faces of some hon. gentlemen opposite—rather like the expression of a man who has been betrayed in the house of a friend—when they realize that the last country in the world to which they could look to carry on free trade, and from which they derived all the shibboleths they proclaimed so loudly during the election, has forsaken the policy she followed for so long and has become a protected country. I am reminded of the remark made on one occasion by the great Disraeli when he described a political opponent as a man who was distinguished among his colleagues because he possessed only one idea, and that idea was wrong. As far as economic ideas are concerned I am sure that many hon. gentlemen opposite possess only one, that of free trade, and it has been proven to be wrong by the greatest exemplar of free trade.

I regret the many attacks which have been made against the manufacturers of this country. It has seemed almost impossible for some hon. members to make a speech without making deprecatory remarks about our manufacturers. They have been referred to as the protected vested interests, as those receiving special benefits from the government, and so on; but coming from a constituency in which there are several large industries, knowing what has been done by industry generally and realizing that no other class deserves the thanks of the Canadian people to a greater extent than the manufacturers, I desire to protest against this attitude. During this period of depression through which we are passing no class has been readier to make sacrifices, and to take such steps as would enable men and women to earn a decent living, than has the manufacturer. I am not concerned so much with the manufacturers as I am with the four thousand men and women in my own county who are making a living in industry and who are enabled to keep their families in comfort and send their children to school because they have had steady jobs since this government came into power. I know it is difficult to touch the hearts of some hon. gentlemen opposite by making an appeal on this basis. There may be hon. gentlemen who would prefer to buy agricultural implements manufactured in a country other than Canada, who would rather drive an American automobile than one made in Canada, who would prefer to use in their homes cotton goods made in the southern states or in Czechoslovakia rather than in the mills in my own county; who would prefer socks made in Japan to those made in Canada; and I know it is difficult to touch the hearts of such hon. members by making an appeal on behalf of the four thousand working men and women in my county. However, I do appeal to them at least to be reasonable and to give the manufacturers a fair show.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. SHAVER: Resuming where I left off when the house rose at six o'clock, I would refer for a few moments to the taxation proposals brought down by the Minister of Finance in the recent budget. Every hon. member, I presume, is interested in the reaction of his own constituents to these proposals; he is anxious to know whether they have received them with satisfaction or the contrary. The hon. member for Glengarry (Mr. McGillis), whose constituency is next to mine, and I have received several letters from those whom we represent, strongly approving of the taxation proposals contained in the budget. The Cornwall Freeholder of April 9 had a series of interviews with prominent business men in that town, about equally divided between the two political parties, and while there were some minor criticisms of a few secondary points in the budget, they agreed in the main entirely that these taxation proposals are fair and equitable and so adjusted as to fall on those best able to bear them. I will read one paragraph of an interview with one of the prominent business men of that town. He said:

> We must appreciate the fact that the government must balance its budget, and that the money must come out of the public. I believe that the budget taxation is chiefly aimed to take the most revenue out of those best able to afford it.

That is a clear indication that the majority, at any rate, of the people in my constituency are thoroughly satisfied with the taxation proposed in the budget, particularly in this period of depression through which the country is passing.

Returning now to a consideration of the conditions of industry in Canada, a question which I touched upon briefly before six o'clock, I think that one indication of the progress of industry is supplied in the number of failures in industry in Canada, comparing 1930 with 1931. In 1930, the last year in which hon. gentlemen opposite were in power, there were 2,402 commercial failures in Canada, and in 1931 the number had decreased to 2,216. The Bureau of Statistics informs us that 141 new industries of outside origin have been established in Canada since September, 1930, without taking into account any of the additions made to industries already in existence. Everyone in this house knows the beneficial effect on the automobile industry. For several weeks, in fact extending over a period of two or three months, we frequently saw in the newspapers reports of American automobile firms, one after another establishing branch plants in Canada, many of which are now in operation. The hon. member for Toronto Northwest (Mr. MacNicol), in the excellent address he delivered in this house the other evening, gave a very clearcut and comprehensive idea of the advantage which the changes made in the tariff by the present government have brought to the iron and steel industry. The hon. member for South Waterloo (Mr. Edwards) similarly explained in full the beneficial effect of the present tariff on the knitted goods and woollen industry of this country. These are two phases of industry that have been actually benefited. But I would refer hon. gentlemen to an authority entirely outside Canada, an authority wholly unbiassed and one who has no political preferences so far as Canada is concerned. The following appeared in a despatch dated Washington, D.C., April 14, 1932, and published in the morning newspapers of that day:

> Administration economic experts definitely attribute the expansion of American industrial branches in Canada to the influence of the Canadian tariff policy. The branch factory movement has been considerably retarded by the depression, except in the case of Canada, where it has been maintained primarily by the pressure of a definite tariff policy.

That is the opinion of Dr. F. B. Feiker, of the Bureau of Foreign and Domestic Relations of the United States.

I would refer more especially to conditions obtaining in my own county. Last year, in a speech I made in this house, I told of the benefits derived by the industries of Cornwall, and those outside the town, from the tariff policy of the present government. I am very glad to be able to tell the house that that improvement in industry has been maintained during the past year. I have here part of a report of the president of the board of trade which was printed in the Cornwall Freeholder of February 6, 1932, dealing with industrial conditions in the town in the year 1931. This is a very clear and comprehensive report under the heading, "Some improvement in conditions here during past year". I will read one paragraph dealing with industry:

> I now pass to statistical information concerning the industrial phases of our town and the surrounding district. The collective figures for fourteen of our industries are as follows: number of men employed, 3,353; amount of wages and salaries, $3,036,591.58; value of finished products, $12,264,377.48. This is a very slight decrease from last year and it is due to the fact that I am able to report for fourteen industries only, whereas last year, figures for seventeen industries were given. In has been impossible for us to get the figures of the remaining three industries, and should we have had them, there is no doubt that there would have been a slight increase over last year.

I am sure that in this period of world depression, when the president of a board of trade of any town is able to report a slight improvement in industry in 1931, it is a matter that must be gratifying to the Canadian people and especially to those of us on this side of the house. I mentioned last year that one of the largest industries in my county, Courtauld's Limited, rayon manufacturers, were constructing an addition to their plant, costing $2,000,000, and giving employment to 300 men during the winter of 1931. That addition to their plant has now been in operation for several months, and whereas when this government came into power 1,000 persons were on its payroll, there are now 1,400, working full time.

The hon. member for Toronto Northwest mentioned the beneficial effect which one successful industry had on others throughout the country, supplying that particular industry with the various chemicals and raw materials it used. As an indication of that truth, this industry to which I refer used last year over three-quarters of a million dollars' worth of Canadian materials including wood pulp from such widely separated parts of the country as Temiskaming, Ontario, and Campbellton, New Brunswick; coal from Nova Scotia; chemicals from Sulphide, Ontario, from Windsor and Montreal, and various other materials from other points.

Let me mention the fine paper industry, represented by two mills in the county of Stormont. By the abolition of tariff item 1060, in the short session of 1930, those industries were greatly helped and encouraged. They received many orders from Canadian magazine publishers, who had formerly received under the terms of that item a rebate of eighty per cent of the duty on paper purchased in the United States. The concerns in question received a good deal of additional business that way. Further, in consequence of the tariff changes made at the last regular session, many American magazine publishers were forced to come into Canada and publish here. That has also brought a good deal of additional business to these mills. In addition to that, stimulation of business in other industries has been occasioned by the tariff policy of the present government, and that has meant a good deal of business for the fine paper industry.

With reference to cotton textiles, which are represented by three mills in my county, it is a fact well known to anyone who has looked into the matter, that since the war there has been a world-wide overproduction of cotton textiles. That is true of nearly every country in the world that manufactures textiles of this kind, except Canada. To show clearly that there has been no overproduction in this country, I would point out that in 1930 the production of the Canadian cotton mills was, in money, $58,587,366; but we imported in the year ended March 31, 1931, $22,634,074 worth of cotton textiles. This proves that there has been no overproduction in Canada; on the contrary, there is great room for expansion in that industry. Let me show how this industry was gradually languishing under the policy of hon. gentlemen opposite. In 1929 the production of the cotton mills of Canada amounted to $90,079,956, and, as I said before, it dropped in 1930 to $58,587,366. There was a corresponding reduction in capital investment, number of employees and salaries and wages paid. I have not been able to obtain complete figures for 1931, so that I cannot give a comparison showing the result of the policy of the present government on that industry as a whole in Canada, but I am able to give a comparison as regards the mills in my constituency, and they show a very clear and definite improvement. This table shows the production of manufactured cotton in mills in my county in 1930, the last year hon. gentlemen opposite were in power, and that in 1931:

Year	Production
1930	6,579,178 pounds
1931	7,135,315 pounds

[Mr. Shaver.]

That shows an increase of 556,137 pounds or 8½ per cent, so that it is apparent the industry has been materially benefited.

Some hon. gentlemen opposite have compared prices; they have told us that prices on manufactured products have not declined to the same extent as those of the products of the farm. That is very true. It is something that always happens when there is a decline in prices, and that everyone deplores; but at the same time the reduction in the price of manufactured products has been much greater than hon. gentlemen have stated in the figures they have given to the house. In a short speech which I delivered a few weeks ago, I pointed out the reduction in price on various items as given to me by one of the leading merchants in my county, a gentleman who has been in business for a long time, who keeps accurate records and who is able to give a clear and correct computation of the reduction in prices. His figures show that in the last two years there have been the following reductions:

Commodity	Reduction in price
Dry goods	22 to 25 per cent
Boots and shoes	18 to 20 per cent

I notice the hon. member for Shelburne-Yarmouth (Mr. Ralston) said that there had been a decline in price of 4.6 per cent on boots and shoes, and his figures were confirmed by the hon. member for West Middlesex (Mr. Elliott). If they had visited some manufacturers or wholesale merchants or had bought a pair of shoes of the kind they were accustomed to buy two years ago, I am sure they would have found the reduction was much more than that. A gentleman who has a very wide connection with the furniture trade told me that furniture had decreased in price at least 25 per cent.

I wish also to place on Hansard a comparison compiled from figures on sales slips in the country store in which I am a partner. I am comparing prices in January, 1930, on goods on an actual sales slip of that date with prices on the same goods in January, 1932. I have several sales slips, but I have time to place only one on Hansard. I select this one because it consists entirely of manufactured goods, as follows: two pairs of rubbers, one suit underwear, five yards of ticking, pair of overalls, two pairs of woollen socks. The prices are as follows:

Date	Price
January, 1930	$11 00
January, 1932	8 10

That shows a reduction of 26.36 per cent, proving conclusively there has been a great reduction in prices of manufactured goods.

I noticed during the course of this debate, although perhaps not to the same extent as a year ago, some hon. gentlemen opposite are still holding post mortems on their defeat in 1930; they are still blaming New Zealand butter for that wonderful landslide which took place in July, 1930. They have only themselves to blame, they had placed themselves in a position where there was no possibility of escape. For four years prior to the last general election they were telling the people from the public platform, in the press and on the floor of parliament that large quantities of New Zealand butter coming into Canada were not detrimental, but in a sense beneficial to our dairy farmer. The hon. member for West Elgin (Mr. Hepburn) has been using that argument during the present session. The Canadian farmer, who in their opinion apparently did not know his own business well enough to control his production, had to be warned away from getting on the foreign market, protected from doing so, by the method of allowing butter from countries which could produce it more cheaply to come into Canada at a low rate of duty or under no duty at all. My hon. friends opposite used that argument until a few weeks of the election; then they brought down the Dunning budget and reversed everything they had said during the previous four years. They placed a duty on butter and gave notice of the abrogation of the agreement with New Zealand.

At that time I was making a personal canvass of the electorate in my constituency. I had been at this work for a couple of weeks, and the morning after the Dunning budget came down I noticed a different attitude amongst the farmers. They were convinced already—no argument on my part was needed—that the government which those of them who were Liberals were following, was entirely wrong, because they had admitted this by their own action. But the Liberal party were true to their policy of setting their sails to catch every chance political breeze, and they received the reward which they deserved. Hon. gentlemen opposite have told us about the low price of farm products and have endeavoured to lay the blame for that on the government of to-day. In my constituency I never told anyone that the Canadian price would be raised if world prices declined, but I said to the farmers that they were going to have fair and equal competition in their own markets; they were to have a chance to supply the people of Canada with butter made in this country. That was the argument I used.

The low price of farm products is common throughout the whole world, but I think I can prove conclusively the action which the present government has taken has been of great assistance in maintaining prices of farm products at a higher level than would have been the case had hon. gentlemen opposite remained in power. There is no question that their policy of admitting farm products of different kinds at very low rates of duty had the effect of keeping down the price at different periods of the year when there would be a chance from various causes for prices to rise; there was always this influence of a large quantity of foreign commodities coming on the market. I have under my hand a comparison of price reductions in Canada and in the United States, and I think it is a fair one. The percentages of price reductions in Canada are given by the Bureau of Statistics, and those in the United States by a bulletin issued by the United States Department of Agriculture on February 15 of the present year. This takes the average of wholesale prices of farm products for January, 1932, and compares them with those at various times in the past. The figures are as follows:

	Percentage of Reduction	
	Canada	United States
Between January, 1932, and December, 1931..	1·9 per cent	8 per cent
Average for year, 1913..	16·9 per cent	37 per cent
Average for year, 1931..	8·8 per cent	22 per cent
Average for year, 1930..	36·9 per cent	53 per cent

That proves conclusively that comparatively the reduction in prices has not been nearly so marked in Canada as in the United States. I have also the average yearly jobbing prices of creamery butter. For a great many years there has been a spread between the price of butter in New York and Montreal. For the year 1931 when we had a protective tariff in effect—and this is significant—the spread between the New York price and the Montreal price was not nearly as great as it had been in the four preceding years. In 1927 the New York price was 8.72 cents higher than the Montreal average for the year; in 1928, 9.41 cents higher; 1929, 5.75 cents higher; 1930, 5.46 cents higher; and in 1931 the spread had been reduced to 4.15 cents.

I would also compare the prices of eggs. The average price of fresh firsts for the whole

year 1931 was 30.17 cents per dozen in Montreal, and in Chicago 20.06 cents, a difference in favour of Montreal of 10.11 cents per dozen. It is significant that the difference in price between Montreal and Chicago is just about equal to the amount of duty imposed by the present government. The reason for that spread in price in favour of the Canadian producer throughout the whole of Canada is that our egg imports for the whole of 1931 were only 2½ per cent of what they were for the first three months of 1930, when hon. gentlemen opposite were in power, and when we imported over $900,000 worth of eggs.

I have here some comparisons taken at different times during the winter. On February 15 the wholesale price of eggs, fresh firsts, in Chicago was 14 cents per dozen, and in my own county on that date the farmers were receiving 20 cents per dozen, or 6 cents more than the wholesale price in Chicago. On February 25 fresh firsts in Chicago were selling wholesale at 13¾ cents per dozen, and in my own county on that date the farmers were receiving 24 cents per dozen, or 10¼ cents above the wholesale price in Chicago.

I have a few more comparative figures to put on Hansard with regard to the prices of a few other commodities during the winter months:

	Chicago	New York	Montreal
March 5, 1932			
Eggs, fresh firsts	$0 12¼	$0 15½	$0 28
Creamery butter	0 20½	0 21½	0 24
Hogs	4 05	4 50	5 10
March 14, 1932			
Eggs, fresh firsts	$0 11¾	$0 14½	$0 26
Creamery butter	0 20¾	0 23½	0 28
Hogs	4 90	....	5 35
March 30, 1932			
Eggs, fresh firsts	$0 13	$0 12½	$0 16
Creamery butter	0 19	0 21¼	0 27

There has been a reduction in the price of butter since that date, of course, but still the price is just about the same in Montreal as it is now in Chicago. At a very conservative estimate I think it can safely be claimed that a great many thousands of dollars have been placed in the hands of the farmers of my county and of other counties in eastern Ontario through the operation of the tariff policy of the present government, which has given them protection particularly in the winter months when the cost of production is very much higher.

A great many hon. gentlemen who have taken part in this debate have spoken in a very pessimistic strain regarding the agricultural industry in our country. I do not believe that that spirit of pessimism is shared by the majority of farmers themselves. They are passing through difficult times, it is true, but I would like to place on Hansard a paragraph from a letter in our Cornwall papers, dated March 14, by one of the leading farmers in my county. It is rather a long letter. The writer states some of the difficulties which farmers have to face at the present time, low prices for their commodities and comparatively high municipal taxes, but he ends his letter on this optimistic note:

[Mr. Shaver.]

The big question with every farmer now is—What can I do by my own efforts, with what I have, to pull through? I am not going to give advice or to dictate in any way. I am going to state facts and figures which I have known and found to be correct, and which go to prove that farming as an occupation is sound and as an occupation, as a means of livelihood and as a means of providing against old age and sickness, and so forth, is second to none, always has been and will be to the end of time. As an investment at the present time, there is nothing to my way of figuring that is more sound or sure. I am in the market right now for an extra piece of land. I need it in my business, and my business is just farming. It is paying me a fair profit, has been for twenty-five years and will continue to do so as long as I think that way. If when I am through anyone can tell me or show me what I think or believe to be wrong, I want to know it. I doubt if anyone can.

I think that the farmers in all parts of Canada can look forward with confidence to the coming Imperial economic conference. We expect that further advantages will be gained in the markets of the motherland for Canadian farm products. I am sure we are all glad that we have at the head of the Department of Agriculture a gentleman who during the time this government has been in power has shown himself to be thoroughly alive to the needs of the farmers in every section of this country,

a man who can be depended upon to look after their interests. Canada's future, I am sure, Mr. Speaker, is safe. The people of Canada have every reason to be optimistic if any people in the world have. First of all because of the virile and progressive character of the people who inhabit this northern part of this American continent. Secondly because we have great natural resources of which only the fringe has yet been tapped. Thirdly, and very important at the present time, because our destiny is entrusted to the hands of one of the greatest statesmen in the British Empire to-day. It was his straightforward course at the last Imperial economic conference that made it possible for the coming conference to have a fair chance of success, and I am confident, Mr. Speaker, that the right hon. gentleman who heads the government of Canada to-day, with the able body of men that he has associated with him in his cabinet, can be safely trusted to see Canada through.

Mr. M. N. CAMPBELL (Mackenzie): I wish first of all to congratulate the Minister of Finance (Mr. Rhodes) on the fact that his budget speech was on such a high plane and couched in cultured and dignified language befitting the occasion, that occasion being the presentation to the shareholders of Canada of their annual statement of accounts.

Of primary importance in the budget is the increase in the income tax. I wish to congratulate the minister on his income tax proposals, not simply because he has increased the tax, nor because I like to see an increase in the taxes of someone else beside myself, but because I believe that when we must have additional revenue the income tax is the very surest way of securing it; it is also the fairest tax because it is based purely on the principle of ability to pay.

Perhaps I may be permitted to put on record a few figures to show that the income tax is capable of being used still further as a revenue producer. I will give first the figures of the income tax for 1921, when the present government went out of office, about the end of the war period; the reductions made in income tax in the last régime, and the new income tax, which is still considerably lower than the tax as it was in 1921. The figures that I shall quote are for a married person without children:

Income	Tax 1921	Tax 1930	New tax
$ 10,000	$ 619 50	$ 232 00	$ 354 90
20,000	2,089 50	1,232 00	1.730 40
30,000	4.084 50	2,880 00	3.918 60
100,000	32.749 50	19,064 00	25.248 30
200,000	97,849 50	51,496 00	67,859 40

I think, Mr. Speaker, these figures will show that the income tax is capable of being used still further, provided that additional revenue is required another year.

I wish again to express my appreciation of the fact that the Minister of Finance has seen fit to postpone for another year the imposition of the increased duties on implement repairs, and I hope by the time another year has come round he will see fit to cancel them altogether. In this section of the house, where hon. members are so very much concerned with the matter of implement repairs, we appreciate the minister's action very much indeed. This budget stands in a class by itself, and enjoys the unique distinction of containing no increases in the tariff, and only one decrease. The reasons are of course fairly obvious. I presume on account of the approaching Imperial economic conference the government is postponing alterations until that time. For that reason we appreciate all the more the fact that the minister has made this one exception by postponing the imposition of the duty on implement repairs.

There is just one other feature to which I should like to draw the attention of the minister, namely the method of application of the so-called excise tax. This is increased from one to three per cent, and as it applies only to imports it really constitutes an increase in the tariff. My understanding of an excise tax is that it should apply equally on home products and imported goods. In this case the minister is simply following the example set by the Minister of Finance for the year 1926, the late Hon. Mr. Robb, who, I think for the first time, made the excise tax on motor cars applicable only to imported cars, amounting to an increase in protection.

I think I may safely state that so far as we can now see the outstanding event in the year will be the Imperial economic conference. People in all parts of the British empire are looking forward with hope and confidence to the conference, and I trust the Canadian government will not disappoint the people of Canada or of other parts of the empire by failing to do its share to measure up to expectations. Any disappointment or failure of the conference to measure up to the hopes of the people will indeed be serious. Disappointment would mean reaction, and would have an adverse psychological effect on business. I suggest that the government be prepared—probably they are; but there is no harm in suggesting that they go to the conference prepared to make some substantial

reductions in duties on British imports. It seems to me that unless they are ready to do that so far as we are concerned the conference will come to an end. If we expect to secure preferred treatment in the British market for our wheat, butter, cattle, lumber, copper or the many other products of Canada, we must be prepared to meet them in a spirit of fair play and make substantial reductions in the tariff on certain classes of British goods.

When we survey the schedules we cannot help thinking that textiles will be one of the commodities British people will be expecting to ship to Canada. The textile industry is being more carefully nurtured and better protected than any other industry in Canada. Some lines in connection with the textile industry are not indigenous to this country, and we should be prepared to make some concession to British interests in that regard.

I should like to say a word or two concerning the St. Lawrence deep waterway. From one end of Canada to the other there is considerable discussion as to whether or not this project is feasible, but I believe the consensus of opinion throughout Canada is that it is a practicable proposition. From the standpoint of both transportation and power it seems to me that the completion of that project would be a good thing for Canada. At the present time materials and labour are cheaper than they have been for a quarter of a century, and this is an opportune time to go ahead with and complete the work. Cheap material and cheap labour would be available, with resulting lower overhead and lower costs of power and transportation for all time to come. Already part of the scheme has been completed. We have the great Welland canal, the construction of which cost about $125,000,000, and the Beauharnois canal, now almost completed, at a cost of about $20,000,000, ownership of which has been vested in the federal government. In any arrangement made with the United States, Canada would be entitled to a cash credit for her interest in parts already completed, and that is something we may well take into consideration. I do not listen to many of the extravagant predictions concerning reduced rates on our grain and other commodities, put forward by those favouring the project. Undoubtedly many unwarranted and extravagant statements are being made in that connection, but I feel quite sure that from the standpoint of transportation the completion of the project is fully justified.

Then we must consider the development of power. Cheap power is the basis of industry. The more cheap power we can put on the market in Canada the more likely we are to bring industries from other lands. I do not believe I am overstating the facts when I say that to-day Canada has more potential water power than all the rest of the world put together. It seems to me that by a proper development of that power, seeing to it that the overhead in the development is not too great, we can lay a foundation for the greatest industries Canada and the world has ever seen. I may be looking ahead some distance, but I am convinced that Canada has greater opportunities in that respect than any other country in the world. The distribution of money, the employment of labour necessary in the construction of a work of this kind, would be a stimulus to industry and have beneficial effects all round. In addition undoubtely the government would be saved the expenditure of millions of dollars in unemployment relief. Practically the only market we have to look forward to for our wheat is Great Britain, but I still believe the United States is the logical market for many of the products of our farms, our forests and our mines, and it is a market of which I hope we shall ultimately secure a fair share. The completion of arrangements for the construction of the St. Lawrence deep waterway should be a powerful factor in creating more harmonious relations between Canada and the United States—relations which would, I trust, ultimately result in trade arrangements to the mutual benefit of both countries.

May I draw attention more particularly to the Liberal amendment. It simply asks for a reduction of tariff, I presume back to the position where it stood when the Liberals left office in 1930. Quite obviously this is not sufficient to cope with the present depression. The moving of such a meek and anaemic amendment was not a fitting end to the very able presentation of the case for his party made by the hon. member for Shelburne-Yarmouth (Mr. Ralston). In looking over this amendment in the face of the very serious problems confronting us to-day, I would say it is utterly unworthy of the great traditions of the Liberal party.

On the other hand, the subamendment goes to the very root of present day conditions. Of first consideration in dealing with the depression is the condition of agriculture. In this connection I should like to place upon Hansard some figures from the Economic Annalist, a publication issued by the Minister of Agriculture (Mr. Weir):

Annual and Monthly Index Numbers of Prices and Production Computed by Dominion Bureau of Statistics

Year	Wholesale prices, 1926=100 All commodities	Farm products	Field products	Animal products	Retail prices and cost of services
1913..	64·	62·6	56·4	77·	65·4
1920..	155·9	161·6	166·5	149·9	124·2
1926..	100·	100·	100·	100·	100·
1931 (Feb.)..	76·	60·9	45·	87·5	94·1
1932 (Feb.)..	69·2	52·1	43·7	66·2	84·6

It will be noted that while all commodities dropped thirty-one per cent from 1926 to February of this year, farm products separately dropped forty-eight per cent. It will also be noted that the index figure for farm field products to-day is just about twenty-five per cent of what it was in 1920. This was about the time when, I believe, the great bulk of the debts of our western farmers were incurred, so it can easily be seen what a desperate position our farmers are in to-day with respect to those debts. I should add that the column dealing with retail prices and cost of services includes food, rent, fuel, clothing and sundries. I draw attention to the fact that while these retail prices dropped only about fifteen per cent from 1926 to February of this year, field products dropped fifty-seven per cent. This will show one of the reasons why agriculture is adversely affected to a much greater extent than other industries.

The Minister of Trade and Commerce (Mr. Stevens) in the very able and very excellent speech he gave us a few nights ago dealt with the money question. I wish to congratulate him on the study he has made of this question, and for the moral courage he had to express the opinions he did from the government benches. I would say that he is the first federal cabinet minister who has ever attacked the money problem from that angle. He stated that there were four factors in the present depression—price levels, debt, interest and trade. In dealing with the fluctuating value of money and showing its effects on liabilities and debts, he asked the pertinent question as to what would happen if the system of weights and measures fluctuated as have commodity values during the last few years. He told us that what we needed to-day more than anything else was stability of prices. I may say that the minister's speech was almost a complete endorsation of the subamendment, because that is exactly what is aimed at. The minister did imply that it would be necessary to have an international agreement to bring about any stabilization of commodity prices and to correct the evils in the money system. I quite agree with him that we cannot deal with this question fully outside of an international agreement, but I do contend that if we sit here and wait until there is an international agreement arrived at nothing will ever be done. We in Canada can correct the position to a very large extent even without assistance from the outside world at all. Let us take the position of France in the depression of 1920-21. I do not think it will be contradicted by anyone that the international bankers' association agreed on a general deflation in 1920 in order to bring the various countries back to the gold basis. Arrangements were made to have this brought about concurrently throughout the great countries of the world. The United States bankers deflated and they put six million men out of work, involving great misery, suffering and hardship. The English bankers deflated, two million men were put out of work, and they have been unemployed ever since. We know what happened in Canada. We had a period of very great distress, not so serious as the depression we are going through now, but very serious indeed. But the action of the French government is worthy of our attention. The government of France forbade their bankers to deflate as the bankers did in the other great countries, and while in other countries prices were tumbling and men were thrown out of work with all the consequent hardship, misery and suffering, commodity prices remained fairly stable in France throughout that period, and every single man was working. As a matter of fact, while two million men were out of work in England, and six million were unemployed in the United States, France was bringing in workmen from Poland and the other eastern countries of Europe to keep her industries running.

An hon. MEMBER: They are not doing it now.

Mr. CAMPBELL: I quite understand that, but France did pull through that period much better than any other country in the world, largely because she refused to follow the

general deflation policy of the international bankers and maintained the level of prices. It was not until 1927 that France went back on the gold basis, and she did it then by establishing her currency at 25 per cent of its normal value. That meant writing off about 75 per cent of her national debt, but she did not strangle her industries; she kept her people working. That action of the French government should be an object lesson to Canada and to all other countries in the world. It seems to me that the preferred position in which France finds herself to-day is due to the action taken at that time by the government. After reducing her debts, after refusing to deflate and to go back to the gold basis, France to-day is the second largest holder of gold and she is almost supreme in dictating the financial policies of the rest of the world. If that means anything, it means that in Canada we can do the same thing regardless of whether or not there is an international agreement.

I do not need to take up the time of the house in discussing the relationship of the amount of money in circulation to commodity price levels. I think it is generally recognized to-day that the commodity price level is determined by the amount of money in circulation. This afternoon the hon. member for Weyburn (Mr. Young) criticized severely the hon. member for Acadia (Mr. Gardiner) in connection with his subamendment. The hon. member stated that it is absolutely necessary to have gold in order to maintain stability of prices, but I would say to him that the value of gold is fluctuating from day to day. This is a recognized fact among world economists. A short time ago thirty-eight cents in gold was all that was necessary to maintain the United States on a gold basis; to-day it takes about eighty cents. The standard of measurement has simply been lengthened. Gold to-day is one of the most useless metals; gold hidden away and sealed in the vaults in New York is performing no useful function. We have got into the habit of worshipping gold, and until we get away from that habit and get on to a sounder basis, we cannot expect to have prosperity in Canada.

The hon. member for Weyburn overlooked another factor with which this subamendment proposes to deal, and that is the relationship between commodities and debts. Debts were contracted when money was at a low valuation and now that we have almost quadrupled the value of money we have to pay three or four times the amount borrowed. This applies equally to public and private debts. One object of the subamendment is to bring about the return of a proper relationship between commodity values and debts, to bring about the relationship which existed at the time the debts were created. As a matter of fact, there is no other way of paying these debts; going on as we are going on to-day simply means cancellation. My hon. friend probably would throw up his hands in horror at the suggestion of a general cancellation of debts, but we are on the horns of a dilemma—we must either inflate and get back to higher commodity levels in order to pay our debts, or we must cancel many of our debts. There is no middle course; we must choose either the one or the other. May I be permitted to quote a recognized authority in these matters, the Royal Bank of Canada, one of the largest banks in Canada. Dealing with the depression, their monthly letter said:

> The present depression is usually explained in terms of extravagance, overproduction, excessive tariff barriers, etc., but, speaking generally the controlling influence has been the mismanagement of money and credit.

Could anything be more striking, coming as it does from one of the largest banks in Canada?

I direct the attention of the house to the fact that we have in Canada to-day the largest amount of bank deposits we have ever had in the history of the country. The latest figures for February show that these deposits amount to $1,390,000,000, and the increase from January to February amounted to $22,000,000. In some quarters this fact is considered as evidence of stability and prosperity; as a matter of fact it means the very opposite, it is an indication of business stagnation. If there were good investments available in business, this money would soon find its way into those channels. The hon. member for Acadia dealt with this particular question, and it is one of the points upon which he was severely criticized by the hon. member for Weyburn. The hon. member for Acadia suggested that these deposits be taxed into circulation, but I think the hon. member for Weyburn had an entirely wrong impression of what was being aimed at. The hon. member for Acadia was suggesting that something must be done to get this money into circulation, to get it working. For instance, only a short time ago the province of Alberta had to pay nearly 7 per cent on a loan issue. Just imagine—a provincial government having to pay nearly 7 per cent interest; and I understand there were additional inducements in the way of tax exemptions and other guarantees of that kind. Ontario, the wealthiest province in Canada, had to pay 6½

per cent interest on a loan recently floated. All this at a time when there is more money in the savings banks of Canada than ever before! Is it not reasonable to suggest that some governmental action should be taken, not to turn this money into speculative channels, as suggested by the hon. member for Weyburn, but into investment channels in municipal and government bonds?

I have another suggestion to make. Supposing the government were to set a maximum interest rate to be charged by the banks? If that rate was a reasonably low one, the banks in turn would be forced to reimburse themselves by reducing the rate of interest paid on deposits. When the depositor found his interest rate cut down to 1½ or 2 per cent, he would probably buy some good Ontario, Alberta or Saskatchewan bonds, or perhaps the federal government bonds. That is one of the important things which we have to face to-day; we need a lower rate of interest on government loans. However, the main object of the subamendment was to increase the money in circulation and thus stimulate business and cause the rise of the commodity price level. As the Minister of Trade and Commerce pointed out, a rise in prices means a corresponding decrease in debts, both public and private.

A short time ago the members of this house were treated to a very excellent address by a distinguished gentleman from the old country, Sir Josiah Stamp. Sir Josiah Stamp is not a mere theorist or student, he is one of the biggest business men in England, being a director of the Bank of England and of the London, Midland and Scottish Railway. Perhaps I could not pay him a higher tribute than to quote the words used by the Prime Minister in introducing Sir Josiah. The Prime Minister referred to him as the greatest and soundest mind dealing with world affairs ever known.

Mr. YOUNG: What did he say about the gold standard?

Mr. CAMPBELL: I shall come to that in a moment. He predicted that England would not return to the gold standard; as a matter of fact, he suggested that England should reduce still further the value of her money. He said there would be no prosperity in England until they got back to the 1929 price level, and in order to get back to the 1929 price level there would have to be further inflation and a further reduction in the value of the pound. Sir Josiah did not attempt to tell us how to run our business in Canada, but his inference was strong. He said something to which this house and the people of Canada might well pay attention; the words of a gentleman who merits the praise applied to him by the Prime Minister should be taken seriously.

In conclusion, I should like to quote another authority, the monthly review issued by the Midland Bank of London, England. This is the most powerful bank in the world, and, dealing with the depression, this is what it says, in part:

> Humanity is notoriously slow to learn by its own mistakes and inefficiency. It is easy to cry to heaven and denounce the slump as an act of God. But the old proverb still holds good, that heaven helps those who help themselves. A first task in self help is to devise a sure means of regulating the commodity price level and thus to avoid the repetition of a large part of the troubles we have brought upon ourselves.

Mr. G. M. McDADE (Northumberland): May I join heartily in the congratulations extended to the Minister of Finance (Mr. Rhodes), on his elevation to this most important portfolio. The hon. gentleman has had a long and distinguished career in the public life of Canada. For a time he held the high position of Speaker of this assembly, and afterwards was Prime Minister of his native province of Nova Scotia, both of which offices he occupied in an eminently satisfactory manner.

The matter of paramount importance before this house for some time seems to have been the unemployment situation. May I be permitted to dwell briefly on some phases of the subject, particularly as it affects the province of New Brunswick and the county of Northumberland, the constituency I have the honour to represent in this house. We all appreciate the fact that the present depression is world-wide. Some of my good friends opposite, in the course of a discussion that took up about three weeks, seemed to lose sight of the fact that conditions in Canada are no exception to those that obtain in many other countries to-day. As a matter of fact, conditions are better in Canada than in other countries, due reasonably to the sound policies of this administration. I submit, therefore, that it is unfair and illogical to attach any blame to the present government for the existing depression and distress which we find generally in this country. It is, I repeat, a world-wide condition.

Coming particularly to the province of New Brunswick, I may say that there was expended under the 1931 regulations on a contributory basis, on unemployment relief works, the sum of $2,165,020. This, I submit, is a record of which we may be proud. We could not have

carried on in New Brunswick if these expenditures had not been made. The following table of expenditures speaks for itself:

	Total	Federal share
Municipal work. . .	$ 439,600	$117,400 00
Provincial works, such as clearing land rebate in stumpage.	292,445	146,222 50
Provincial highways.	1,030,175	412,070 00
Trans-Canada. . . .	148,000	74,000 00
	$1,910,220	$749,692 50

Works of strictly federal character were carried on in New Brunswick under the unemployment relief to the value of $247,800, on public works, and $7,000 in the Department of Agriculture, making a total of federal moneys expended in New Brunswick of $1,004,492.50, aside from direct relief, purchase of ties and ordinary federal public works expended and not coming under the provisions of the unemployment relief fund. In the county of Northumberland, under the 1931 regulations, the following expenditures were made:

	Total	Federal share
Chatham.	$ 45,000	$15,000
Newcastle.	45,000	15,000
Northumberland county highways.	150,000	60,000
Bartibogue river dredging.	5,000	5,000
Bay du Vin.	4,500	4,500
Burnt Church.	15,000	15,000

Also $5,000 in 1932 estimated.

Chatham wharf extension $10,000 voted but not yet spent.

Oak Point wharf, $1,000.

Rebate in stumpage $120,000 for all lumber operations, $60,000.

This is not wholly confined to Northumberland county.

In addition, the purchase of ties in Northumberland under the 1931 regulations—and here I wish to thank the Minister of Railways (Mr. Manion) for his cooperation in using his good offices with the president of the Canadian National railway system—amounted to $85,000, while about $100,000 was expended by the federal government for strictly federal works, not coming under the unemployment fund.

So far as federal expenditures under the unemployment relief fund in the county of Northumberland are concerned, no politics whatever was practised by the hon. member who happens to occupy that seat at the present time. As a matter of fact some of my good friends, particularly on the north side of the Miramichi river, saw fit to call a meeting and pass a vote of censure upon the member because he did not see fit to interfere in the handling of unemployment expenditures.

[Mr. McDade.]

May I be permitted to say a word respecting the Canadian National Railways? I wish to congratulate the Minister of Railways (Mr. Manion) upon the very substantial reduction that has already been effected in operating costs. I am sorry that I am not in agreement with the hon. member for Brome-Missisquoi (Mr. Pickel) in his statement that the Canadian National railway system should be sold to the Canadian Pacific Railway Company. We from the province of New Brunswick would be opposed to such a proposal unless and until we receive the report of the Duff commission, which has made a careful investigation into the various ramifications of the railway situation and which will be qualified to submit a fair and impartial report. At the same time I wish to say a word for the Canadian National Steamships. I have it on reasonably high authority that next year there will be a sufficient operating profit to discharge not only the operating expenses, but also the interest on the debt incurred. While I am on the subject, I should like to urge upon the Minister of Railways the desirability of including in the small special committee—the executive committee of management—one of the directors from the maritime provinces. We in the maritimes are great admirers of the Minister of Railways, and we feel that as the Intercolonial was the pioneer part of the Canadian National railway system, and particularly as we have such important questions affecting the great ports of St. John and Halifax, the minister and the management might reasonably include in this subcommittee a representative from the maritime provinces.

A matter of outstanding moment to-day in world politics, particularly in empire politics, is the approaching economic conference. I wish to congratulate the distinguished Prime Minister of Canada (Mr. Bennett) and his colleagues on bringing this important economic conference to the capital city. May I humbly suggest that we approach the conference in a quid pro quo attitude; that we be prepared to give reasonable concessions in exchange for preferences in the mother country. Of especial interest to us on the north shore of New Brunswick is the policy of the administration to endeavour to secure preference for Canadian lumber. Lumber on the north shore of our province is our basic industry. It is indeed regrettable that private enterprise on the Miramichi is not doing more. The once great activity of lumbering operations which characterized this river some twelve or fifteen years ago is now practically negligible. Last year only 23,000,000 feet were cut, including a large number of ties by the Canadian National, large quantities of lumber supplied

to the St. John harbour reconstruction, and valuable orders from the Canadian National Railways. This shows that private enterprise is not acting reasonably in the present economic crisis. Canada's timber supply is estimated to be 424,637,000,000 feet board measure of raw material and 1,121,933,000 cords of small material such as pulpwood, fuel wood, posts and so forth. Fifty-five species of wood occur; 32 hardwoods and 23 softwoods. Forest wealth, including accessible raw materials, and pulpwood and capital invested in forestry operations, is estimated to be $1,866,000,000. Annual production from the forests is valued at $500,000,000. Exports of wood, wood products and paper in 1930-31 amounted to $230,514,474.

I quote those figures, Mr. Speaker, to afford some indication of what a preference for Canadian lumber in the great market of the mother country would mean to this industry. In discussing this matter may I be permitted to observe that crown land timber leases in the province of New Brunswick will expire as of August 31, 1933. This is a very important phase of the question and it is to be hoped that the government of New Brunswick will give fearless, honest and intelligent attention to the renewal of those licences. Our democracy is such that if the American company now holding practically a monopoly of the leases does not see fit to operate the crown lands, those lands should be taken away from them and given to bona fide operators who will go ahead and operate.

I submit, Mr. Speaker, that thoughtful and intelligent people are prepared to support this administration upon its achievements. Great problems have been attacked. A favourable trade balance has been established. New trade treaties have been negotiated, vigorous action has been taken to stimulate agriculture. The railway problem is being investigated by a board of experts. Unemployment has been grappled with and to a great extent eliminated. Tariff changes have already brought into this country many new industries. A report on the great harbours and seaports of Canada has been submitted by an eminent British authority. Another eminent authority has reported relative to trading in grain futures. The port facilities of St. John, which were destroyed by fire, have been rebuilt and are now bigger and better than ever. Civil service problems and radio are receiving careful study. Public men charged with irregularities have been forced to face investigation. Without impairing the efficiency of the service, the most drastic economy has been put into practice, and above all, the budget has been balanced for the ensuing year.

In spite of all this there is considerable misery and suffering in the country. These are dark days for Canada and the world, but all is not lost; we still have God. When those sacred and fundamental principles of Christianity have been attacked it is well that we should accept the challenge and effectively combat it. We have in the distinguished and illustrious Prime Minister of this country a man standing firmly by those Christian principles. Can there be any doubt, Mr. Speaker, of our ultimate success and triumph? The times always produce the man, and my native province of New Brunswick has had the honour of giving to Canada, to the empire and to the world a noble character, a brilliant leader and a self-renunciating statesman whose policies and whose principles will bring Canada to immeasurable prosperity and restore happiness to our great Canadian people.

Mr. HERMAS DESLAURIERS (St. Mary's) (Translation): Mr. Speaker, I wish, at the outset, to congratulate the hon. Minister of Finance (Mr. Rhodes), on his clear and methodical statement on the budget. However, owing to the necessarily incomplete nature of his statement, it is true to say that the discussion of it is difficult. Not having noted any tariff changes and being aware that the right hon. Prime Minister (Mr. Bennett) is convinced that Providence alone can solve our problems, and that he reposes no faith in the parliament of Canada to assist him—basing such a statement on the Act, No. 58, by which he assumes all executive and legislative powers, I therefore contend that this budget is certainly incomplete and brought down simply to follow the sessional custom.

Although deprived of our prerogatives, as long as the representatives of the people are allowed to meet in this chamber, under your presidency, sir, we shall continue to fulfil our duty, at least by making suggestions which we deem in the people's interests, since our cooperation is no more needed; and that is the course I intend to follow.

It is true that our financial position is seriously affected, but nevertheless, I do not think that our condition is so desperate as to prompt the hon. member for Acadia (Mr. Gardiner) to suggest to the Prime Minister to seize the savings of the people, savings which were accumulated, thanks to their thrift and sacrifices. The government can gradually bring about great reforms in the administration which will surely foster an appreciable degree of prosperity.

We are all aware that the depression in business extends equally to towns and rural districts. Every province has felt its effects, but especially the western provinces where farming is, as a whole, confined to one special crop. The government disbursed $11,000,000 in rebates, to reward the farmers whom Providence had favoured, and granted nothing to those whom Providence had neglected. The payment of such a considerable amount, unfair in many ways towards others whose crops had failed in the west—a measure adopted to remedy the slump in wheat prices in those provinces—was also very unfair towards the other provinces whose products were also down in price, and where most of the taxes are collected.

This policy of favouritism has not solved the problem, and this year, according to the hon. member for Acadia, conditions have hardly improved.

That section of the country, where a single crop is raised, appeals to the government to obtain even its seed grain, while the other provinces which are entitled to the same privileges, do not avail themselves of such rights because there is no need to resort to such an expedient. The situation seems to be abnormal, and it behooves the government to remedy such a state because the old provinces of confederation cannot forever tolerate such an injustice, such discrimination and, especially, the pillaging of their savings which the hon. member for Acadia advocates.

I submit, sir, that the time has arrived for the government to start an agricultural policy capable of giving the farmers a relative independence, not only of the Dominion government but also of the provincial authorities. This policy which I suggest would not be an innovation because it has already been given a trial with much success—I refer to mixed farming in opposition to the single crop system.

I have here a summary of an address delivered before the Canadian Club by Mr. C. F. Jaffray, a Canadian who settled in the United States a long time ago, he is president of the Minneapolis, St. Paul and Soo-St. Mary Railway Company, and one of the champions of mixed farming in the United States, and moreover, president of the corporation founded seven years ago, in Chicago, to help the farmer and convert him to mixed farming. A few years ago north western farmers from Montana, Minnesota, southern Dakota and particularly northern Dakota were greatly in distress as a result of 1,700 bank failures due for the most part to the depression in the wheat market. It was then that a group of citizens of the principal cities in the United States decided to form a company in order to help the farmers and encourage them to take up mixed farming.

This corporation, founded seven years ago, following a conference held at the White House, in Washington, loaned money to farmers in need, so as to help them in purchasing cattle, and it then succeeded to convert more than 15,000 farmers to mixed farming. To-day, more than two-thirds of the money loaned has been reimbursed to the corporation and the situation of the United States western farmers is a prosperous one, notwithstanding the present depression. The money was loaned by the corporation at 6 per cent for a three years' term. The corporation purchases itself the cattle and sells them to farmers. To encourage the latter to purchase cattle, it organizes in the west, exhibition trains, carrying various farm breeding stock, throughout the rural districts. On board these trains are experts whose duties are to explain to those interested the advantages of mixed farming. Those desirous of making a trial, explain their situation and needs to these agents and request their advice on the number and kind of cattle which they should breed. Then, the loan is made. On $7,000,000 loaned in seven years, $5,000,000 have been reimbursed.

Generally, farmers whose crops covered previously 240 acres, reduced this area to 120 acres and kept the remainder for grazing purposes.

As evidence of the perfection of this system, the farmers have no further need of borrowing on their future crops or of mortgaging their lands. The sale of their cattle brings them in sufficient money to pay their taxes and the costs incidental to farming, thus they can dispose of almost the entire returns of their crop. This system, no doubt, has created a very enviable financial situation for the United States farmers since, notwithstanding the prevailing depression, they found it possible to reimburse almost the entire loan to the corporation without having to further borrow.

This system of mixed farming, which has been so advantageous to the United States western farmers, should similarly be successful in the Canadian west where single crop farming still makes and will probably continue to make conditions very difficult. The same may be said of other provinces where the present method of farming may at any time fail. I would have no objection to the government guaranteeing the capital invested by such corporations, so as to relieve the

farming class, just as governments of other countries have done when guaranteeing and even subsidizing insurance companies against unemployment and disability thereby protecting the workers. Thus would we find the serious problem of the farming classes solved and replaced by prosperity. It would be a practical way, and not a temporary one only, of utilizing the taxes levied on the people. No doubt, had the policy prevailed a few years ago, not only the government would not have been forced to levy new taxes, as this budget shows, but like the western United States, the Canadian west would have preserved its credit intact without any need whatsoever of having to be backed by the Dominion government to avoid bankruptcy or be obliged to depend on charity for a livelihood.

Single crop raising it is true, requires less effort and pays better, providing however that everything runs smoothly that there is no setback owing to unfavourable weather, that the crop is not poor or a failure, and, still less, that depression does not set in. The old Latin proverb still holds good: "Labor omnia vincit improbus." A little closer application will enable one to avoid the worries of shiftlessness.

The easy life on the farm is very much like the easy life in towns: it bears with it the uncertainty of the next day. Before pillaging the savings deposited in the banks by the people as the hon. member for Acadia (Mr. Gardiner) seems to advocate, I would advise the right hon. Prime Minister (Mr. Bennett) to endeavour to put into practice the suggestion which I have just made, and, I think that all will turn out well.

Another point to which I want to draw the attention of the government, is the participation of Canada in the activities of the League of Nations, which absorbs quite a large part of the country's revenues, without accomplishing anything practical. Our share amounts to $300,000 per year. I think the Canadian delegates have always given proof of their sincerity and good faith; briefly, they have always appeared to me in earnest. I fear, however, that such has not always been the case nor is it now the case with all their colleagues.

An hon. MEMBER (Translation): Hear, hear!

Mr. DESLAURIERS (Translation): The Treaty of Versailles has not succeeded in establishing peace among nations. President Wilson who first conceived the idea of founding a league of nations could not even get the United States to join. Ever since the outset of this institution the United States always opposed its proposals and never will they consent to pledge their responsibilty.

In 1923, when the project of mutual assurance came up, so as to give the necessary assistance to a nation attacked, a number of the great powers refused to endorse it. In 1925, a new attempt was made with the protocol of nations. This again was a failure. In 1925-26, the Locarno treaty was signed, the work of Mr. Briand, by which all nations were to pledge themselves to form a "bloc" against countries declaring war. Again this was a failure. Then follows the establishment of a tribunal at The Hague, to arbitrate disputes between nations. Again this was useless and always for the same reason because this tribunal had no power to enforce its decisions. The treaty of Versailles was amended, the Dawes' plan is adopted, then comes Young's plan; delays are granted for the payments of war reparations. A short while ago, Germany declared that she was unable to meet her payments; to-morrow she will clearly refuse to do so. We will then witness a number of nations anxious to have their loans repaid previous to war reparations, side with her. This is, in a nutshell to what the League of Nations amounts.

Can one possibly believe that France has no cause to be fully armed and maintain friendly relations with the small European nations which she has freed from the German, Austrian or Hungarian yoke, and was also instrumental in having restored to them their territories, so unjustly cut up and tyrannically exploited. After The Hague tribunal, we have had the Briand-Kellogg pact signed by fifty-two nations and which can have no practical result when a well armed country goes to war. The fact is that a number of first class powers have not yet signed this treaty. All these institutions had a very laudable and friendly object in view. Their intentions were the very best. Nevertheless, they failed. To reach the aim which the League had in view, all nations should have joined it and it should have been entrusted with the power to carry out its decrees and, moreover, all nations forming part of the league have given evidence of their good faith. That is Mr. Tardieu's contentions.

After the failures which I have just enumerated, and without the conditions that I mentioned above, we are led to believe that all plans of disarmament so as to promote peace among nations, are purely utopian.

If the procedure of the League of Nations is closely studied, one easily discovers the lack of sincerity and good faith shown by some of its members. The United States in-

vented this sovereign remedy and, for twelve years, have fought shy of it. Are they sincere?

It is well known that Great Britain carries on trade with Russia, thus encouraging forced labour to compete with free labour and this during a crisis. It thus fosters a system of revolutionary government that all civilized nations condemn, precisely when this system has most need of this help to succeed. Did not the League of Nations itself approve of loans to this same Soviet republic? Yet, does not article 23 of the League of Nations oblige all those who signed the pact to endeavour to obtain satisfactory and human conditions of labour for men, women and children in all countries, and to resist forced labour? Is their attitude rational? Would not its duty be to leave to this dangerous power all its over production in order that its own citizens should fully benefit of this abundance?

To-day when conferences on disarmament are held, arms and machinery to manufacture them are being sold to Russia.

Faced with this series of uninterrupted failures of the League of Nations, including the Manchuria fiasco; bearing in mind the inconsistency of its members who pledge themselves one day to follow a very determined line of action, and who, the very next day, do the contrary, are we not allowed to share the views of Mr. Eric Loow—a minister in the South African Union government —which were transmitted by the correspondent of the Canadian Press, in New York, in June, 1931. Mr. Loow stated that he was of the opinion that his country should resign from the League of Nations, adding that the latter had sadly failed in its negotiations regarding the conflict in Manchuria, in 1931-1932, as it would similarly fail in the future to settle any conflict in which the interests of a powerful nation were at stake; that the clear political tendencies of certain recent decisions of the international court had shocked and disgusted the most enthusiastic partisans of the league; that his observations, as head of the South African delegation to the meeting of the league in 1929, had convinced him that the league served as a lobby for intrigues, where most of the important questions are settled behind the scene, by way of underhand dealing, among the various great powers.

It is a known fact, in well informed circles, that England wishes to do away with land armies, submarines and air forces, but that she will never consent to abandon her cruisers; that Italy intends to keep her land armies and the necessary navy to rule the Mediterranean sea. Germany claims equality of armament and has arranged to have her war material manufactured secretly in Holland, Scandinavia and Switzerland; Japan agrees with any peaceful movement, providing she is allowed to put the Chinese lords where they belong, through the mouth-piece of her guns; and the United States are bent on the disarmament of other nations. So that we are faced with nations more or less sincere, most of whom through interest, envy or simply stupidity seek to disarm France.

While Germany was taking part in the deliberations at Geneva—in the interest of world peace—on the anniversary of the Versailles treaty, June 28, 1931, the Reischwehr unveiled on the manoeuvring fields of Dobaritz, near Berlin, an enormous map of the world made of stone, over which the German Eagle soared, and bearing the following inscription: "German soil in the hands of foreigners: Alsace-Lorraine, the Polish Pass, Upper-Silesia, Schleswig--Holstein, the Camerouns, the Togo, German South East and South West Africa." One need not be a prophet to foresee, through the numerous conferences on disarmament, that many a bloody battle will be fought before Germany reconquers all these territories. Going back a few years, we find Italy refusing the intervention of the League of Nations, at Corfu; then come the republics of South America settling their difficulties by the intermediary of the United States after having bluntly refused the good office of the League of Nations; it was powerless to prevent war between Russia and Poland; its influence was nil in the conflict between Italy and Jugo-Slavia; d'Annunzio laughed at it. Its intervention was limited to humbly requesting parties concerned to desist, it might just as well have requested lions to trim their claws, because, without the power to impose its will, it felt powerless.

Ambition, interest, hatred and vengeance are sentiments which are intimately linked with mankind and will survive, as long as nations exist; conferences, congresses, tribunals will always meet on their path these indestructible obstacles which render world peace impossible.

When we have witnessed while war was raging, Thyrsen, the Rothchilds, the Krupps at work, all moved by the same sordid feelings when their brothers were dying by the millions; it is but right to point out these despicable individuals concocting their diplomatic intrigues in lobbies, hidden in large hotels, and spoiling the plans devised for the welfare of those concerned. I was most amazed in reading in the Senate Hansard of March 10, 1932, a statement of a former dele-

gate to the League of Nations, prophesying that in six years we would witness a considerable reduction in armaments. He should have said in ninety-nine years: the danger of being wrong would have been less. And I am still wondering on what he bases his prophecy?

Therefore, backed by facts and common sense, while acknowledging the honesty, honourability, earnestness and good faith of our delegates, I state that it is not less true, that the part played by the League of Nations—apart from questions of a sociological order, which each nation can settle at home—amounts to introducing resolutions which have no force, forming committees, sub-committees and super-committees, commissions, sub-commissions and super-commissions maintaining a staff of secretaries, assistant secretaries, private or public, stenographers type-writers, from class A to C, translators in as many languages as there are nationalities; having printed similarly in as many languages, documents the last of which has no more value than the first and is hardly worth the paper on which they are printed. Within the last twelve years, a bevy of young aristocrats associated with a few old parliamentarians, has sprung up in Europe, at a cost of $300,000 per year representing our contribution in an effort to suppress common sense and substituting in its place perpetual motion. This joke, at Geneva, has already lasted too long, and it behooves the government to cease participating in the League of Nations; such expenses, should no longer be defrayed by taxes levied on the Canadian people.

It seems that the more the question of armament crops up, the more this cancer spreads in all spheres; we even come across traces of it in the policy of this government. For instance, apart from the new taxation, the salaries of all civil servants have been cut ten per cent, except those who bear arms in the country's defence in peace time. 139 officers receive a salary from $4,000 to $4,900; 30 receive a salary from $6,000 to $6,900; mostly military bureaucrats, apart from an army of a few hundred men detailed to escort the right hon. member for Argenteuil (Sir George Perley), and the hon. Solicitor General (Mr. Dupré) when they leave to attend the Disarmament conference, Oh, irony of fate! on behalf of peace and security. These defensors of Parliament Hill are exempt from the ten per cent cut. This exemption is unfair to the other civil servants and meets with our disapproval.

Mr. SEGUIN (Translation): Hear, hear!

Mr. DESLAURIERS (Translation): A third point to which I want to draw the attention of the government and make some suggestions, is the amendment to the Customs Act enacted on June 11, 1928, in connection with alcohol traffic between Canada and the United States. The government of that day wishing to keep up good relations with our neighbours, amended the Customs Act, chapter 16 George V of the Revised Statutes, so as to facilitate to the United States the task of enforcing their regulations.

From that date the Canadian government kept its word as regards its preventive service staff, paid from the treasury funds, pursuant to the act and to the benefit of our neighbours. The liquor industry, in Canada, fell short by about $20,000,000, on which we lost the excise tax; in return, our neighbours, to repay our kindness, thought proper to close their markets to practically all our products, by erecting a prohibitive tariff wall. Liquor traffic is recognized as legal in Canada; it is carried on under the regulations of our governments, and cannot be looked upon as an immoral trade; we therefore should not hesitate to cancel this act which makes Canada play a deceitful part. I submit, sir, that the amendment to the Customs Act, chapter 16 George V, Article 151 and the following in our Revised Statutes should be cancelled, leaving to our neighbours the full task of enforcing their regulations within the limits of their territory so far as spirits are concerned, just as they do in regard to foreign products which cross their border.

After all, this change is only right, because we should not tax the Canadians, in these hard times, to please others. I feel convinced that should my suggestions be adopted, the federal treasury would be the richer and the country would greatly benefit thereby.

Mr. J.-E. TETREAULT (Shefford) (Translation): Mr. Speaker, I feel greatly awed in rising for the first time, in the house, as the representative of the county of Shefford. I avail myself of this opportunity, to thank my constituents for the honour they bestowed upon me by electing me to represent this beautiful county.

Mr. DUPUIS (Translation): Hear, hear!

Mr. TETREAULT (Translation): I say: This beautiful county. Indeed, the county of Shefford has been highly honoured in the past, thanks to the fame of its renowned politicians and distinguished speakers who represented the county in the parliament of

Canada. To mention but a few names, I shall recall to your memory those of the Hon. Mr. Huntington and the Hon. Mr. Boivin who were its representatives, the former from 1867 to 1878, and the latter from 1911 to 1925.

These two men proved themselves worthy of the two great races of this country and were numbered among the leaders of their day.

Being only a newcomer, sir, I do not harbour the illusion that I represent the county with as much authority as did these two hon. gentlemen. However, if devotion to duty and work mean anything, my constituents will know that they did not bestow this trust in vain and the future will bear evidence that I endeavoured to deserve it.

I am pleased to state, at the outset of my remarks, that if I have been elected, it is because we had as leader of our party one of the greatest statesmen that Canada has so far produced, and that the policy he advocates could, alone, extricate our country from the old beaten path where the previous régime had led it.

My friends opposite have not yet realized this, but the future will prove to them that there was but one effective policy, and that was the policy which gives protection to our industries, our trade and our farm products.

The right hon. Prime Minister (Mr. Bennett), was placed in power, thanks to his motto of "Canada First"—our hon. friends opposite reminded him of it often enough. He gave proof at the Imperial conference, that it was not an empty election cry.

The Social Labour party which was for a time at the head of the most Conservative country in the world, lost for a moment the sense of British traditions, it failed, as communism is failing in another Conservative country: Russia.

England, however, needed a vigorous Conservative impulse to make her realize her situation and it came, for the first time, from the outside. It was the right hon. Prime Minister of Canada, who, at the Imperial conference, was to write down the historical page of this impulse.

Mr. Speaker, as I wish to be understood by all the members of this house, I beg of my French speaking colleagues to allow me to continue my remarks in English.

Mr. Speaker, I claim the indulgence of hon. members as I rise to make my maiden speech in this house. Although it was not my intention to speak at this time, I feel it my duty to make a few remarks concerning the attitude of some hon. members on the other side of the house. I have listened attentively to the debate, and I wonder if any hon. member opposite has said one word in favour of the government. Of course it does not surprise me that they should not do so, because I know the kind of cooperation we receive in the province of Quebec. Hon. members who had the opportunity to listen to Liberal speeches during the last provincial election campaign will readily appreciate the type of cooperation the Prime Minister may expect to receive from hon. members opposite. We have heard them criticize everything the present government has done. Why can they not be sincere and tell the truth to the people of Canada? I should like to tell hon. members what this government has done for my own town of Granby. Before going further may I say that we have had the cooperation of every citizen in that town, regardless of political views. The people have worked together when the interests of our town were at stake.

Mr. ST-PERE: Nobody denies that.

Mr. TETREAULT: Thanks to the tariff changes, we have attracted four new industries to our town. I am proud to say that we are the only town with a population of 10,000 which has succeeded in making such progress, and our success was partly due to the cooperation of the board of trade and the Southern Canada Power Company.

Mr. ST-PERE: They do not charge too much for their gas?

Mr. TETREAULT: No more than they do in Montreal. If hon. members opposite do not appreciate the efforts this government is making, I am in a position to prove that in the county of Shefford we have some intelligent citizens who do appreciate them.

With your permission Mr. Speaker I should like to quote from a few letters I have received from people in my constituency since this government took office. In these letters are emphasized the benefits received from the policy of protection adopted by the leader of this government.

The first letter is dated September 27, 1930, and reads as follows:

Dear Mr. Tétreault,

I have your letter of the 20th instant with reference to the new change in tariff.

I am thoroughly convinced that the present government has made a wonderful move which will result in far better business conditions in the Dominion of Canada. There are undoubtedly certain items which will have to be readjusted in the carte blanche program they have put through, but so far as our particular industry is concerned, it is just what we needed.

You might be interested to know that in view of this tariff, we are planning to put up an addition which will double our output. This will not only give work to contractors and

labourers in the building of our plant, but will also enable me to employ considerably more hands in the near future.

This past week I have been visiting the retail trade in western Ontario, and find them, in every instance, quite pleased with the fact that we are getting an additional protection on our merchandise. I have convinced them that even though there may be a slight increase in the cost of our rayon yarns in the near future, I do not intend to raise my prices, and that I am in hopes with the added protection to be able to decrease my prices in the near future.

On the whole, I think the present government deserves a great deal of credit, and it is through the cooperation of such firms as ours who are not raising their prices, and who will decrease prices if at all possible, that their policy will succeed.

For your further information, you will no doubt be pleased to note that due to the protection given the corset manufacturers, each of them is looking for an increased business and placed orders with us this past week far in excess of yardages ever procured before.

With kindest regards, and my best wishes for the success of the present policy, I am

Yours very truly,

Carl Stohn of Canada, Limited.

Then I have the following letter dated April 25, 1931:

Dear Mr. Tétreault:

I have your letter of the 22nd with reference to the improvement on our plant since last September.

For your information, beg to advise that immediately upon receipt of the news that a new tariff had been brought into effect on last September, the writer called a directors' meeting of our firm, and within ten days' time a contract was let for the building of an additional 27,000 square feet to our present plant. On October the 10th the contractors started to break ground in preparation of the starting of the building. Orders for additional machinery etc., were immediately placed and up to the present writing we have expended approximately $200,000 in building and machinery. Needless to say, our payroll has increased considerably and we are now employing approximately 160 hands, whereas last September, we were employing 92 hands. Our payroll has increased approximately 35 per cent in dollars and cents.

It is very interesting indeed to note our increased sales in spite of the general poor conditions throughout the country. Up to the end of March, our sales increased approximately 37 per cent over and above the first quarter of 1930, and we might say that 1930 was the best year in our business. We can definitely trace orders which have come to us which would have been placed in the United States had it not been for the increased tariff.

Thanking you for your kind interest, we beg to remain,

Yours very truly,

Carl Stohn of Canada, Limited.

On September 18, 1930, I received this letter from the Granby Manufacturing Company Limited:

Dear Eugène:

Mr. Carl Stohn was in our shop yesterday and we discussed the new tariff. He states that the new duty on textile will be of the greatest assistance to them. In fact he went so far as to state that they intended to build a new factory to look after the increased business.

I thought you might be pleased to hear the above and might have an opportunity to give Mr. Bennett at least one example of the results of his Canada-first policy.

Yours truly,

N. E. Clouston.

On June 4, 1931, the Atlas Plywood Corporation, Waterloo, Quebec, wrote me:

Dear Sir,

We received yours of the 3rd with list of new tariff enclosed which certainly comes pretty near to what we were asking for.

We wish to thank you sincerely for the part you took in this matter for us and for all the trouble you have been to. Can promise you that when the occasion arises again you can rely on us in every way.

On June 8, 1931, the manager of the corporation wrote me this second letter:

Dear Sir,

Thanks very much for the booklet you sent me. I am forwarding this on to our Boston office and am also enclosing your letter and am telling them that you, personally, are the one who assisted us in getting what we asked for.

And again on February 24 of this year the Atlas corporation wrote me the following letter:

Dear Sir,

Replying to yours of the 17th instant in reference to the new tariff of veneers, would say that the change has certainly been a benefit to our company.

In 1931 we had from 45 to 60 employees and paid per month $3,539.40 and made shipments of 615,739 feet per month, while in 1932 we have had continually from 65 to 70 employees, paying $4,117.17 per month and shipping 910.695 feet per month, so by these figures you can see we have benefited by the tariff.

If there is any further information that we can give you please let us know, and in the meantime we wish to thank you for the many courtesies you have shown us since you have been in Ottawa.

On May 21, 1931, the Macdonald Metal Products Company Limited, Waterloo, Quebec, wrote me this letter:

Dear Mr. Tétreault,

Your letter of May 19th has been received, and we certainly appreciate the activity which you are taking in regard to our products.

You will be pleased to learn that our factory is running on practically the same basis as it was this time last year, due entirely in our estimation to the department's increase of tariff on nickel-plated goods, particularly our line of nickel-plated cake turners, mixing spoons, and other kitchen utensils. The effect of last fall's increase in this tariff item has made it possible for us to manufacture just as many articles in

this poor year as we did last year, and has not increased the cost of these articles to the consumer one cent.

They wrote me again under date of June 3, 1931:

Dear Mr. Tétreault,

We are quite pleased to note in the various changes in the budget that the item dolls and toys of all kinds has been raised from 30 per cent to 40 per cent duty. We believe that this is going to make a tremendous difference in our business here, and we wish to thank you at this time very much for the effort that you have put in at Ottawa on our behalf. We believe also that this 10 per cent increase will greatly discourage the importation of German cap pistols. A few of the items that we import through necessity have been increased in cost on account of the budget, but we are quite content with these increases as no doubt they are designed to help other manufacturers.

That is what we call cooperation.

You will be quite pleased, I am sure, to know that our sales to date this year are practically the same as they were last year, and also that we attribute this to the increase of the duty put through last fall on nickel-plated goods. Also in this connection, we would advise that instead of our prices going up on account of the increased duty there have been a number of changes downward.

Mr. ST-PERE (Translation): This does not contain letters from unemployed?

Mr. TETREAULT (Translation): There are no unemployed in my county.

Mr. ST-PERE (Translation): Lucky fellow! This is not due to the government you support.

Mr. TETREAULT (Translation): Neither is it due to the opposition.

On February 9, 1932, I received another letter from the Macdonald Metal Products Company, Limited, of which I will give the house the concluding paragraph:

We wish to have you convey to the Prime Minister our thanks for the various protective changes made last year, and advise him that we operated about one-third more time last year than we did in 1930, and that this year we expect to operate practically to full capacity throughout the year, which should mean about a full 50 per cent better than 1930 operations.

The next letter I am going to read is not from a manufacturer, but from a firm engaged in growing mushrooms. They say.

Dear Sir:

We have just received a circular from the horticultural council at Ottawa informing us that the department had placed a minimum value of 30 cents per pound on mushrooms for import. In consequence this will fix this matter up in a thoroughly satisfactory manner for ourselves, as the dump duty applies on anything brought in below this value.

[Mr. Tétreault.]

We wish to thank you for the trouble you have taken for us in this matter, and will endeavour to do whatever we can for you at any time.

Yours very truly,

Slack Brothers,

The next letter is in French. This too is not from a big manufacturing firm, but from a man engaged in making charcoal:

Flodden, Que., June 5, 1931.

Mr. J. E. Tétrault, M.P.,
Ottawa, Ont.

Dear Sir,—

My most sincere thanks and congratulations on your success as regards the tariff on charcoal. The new tariff will have as an immediate result the reopening of factories and the building of new plants which will employ 2,500 men.

My employees as well as the farmers who sell me wood join with me in expressing our thanks and congratulations.

Yours gratefully,

Ovila Pratte.

I have received from another newly established industry, a letter which demonstrates that these new companies recognize that they are receiving cooperation from this government. It reads:

We have your letter of March 16th, enclosing a copy of the commissioner's letter of March 14th, relative to William Wagner.

Will you please express to Mr. Joliffe our sincere appreciation of his cooperation in allowing us to bring in the different helpers that we required from our other mill.

Mr. J. W. Stark and the writer both feel that there has been a real understanding of our problems, and the promptness with which our requests were granted has been most gratifying.

It is very apparent that our needs have been most promptly and clearly placed before the commissioner, and it is therefore again a great pleasure to thank you most heartily for your service in looking after us so thoroughly and well.

An hon. MEMBER (Translation): Is that the end?

Mr. TETREAULT (Translation): I have some more.

Mr. ST-PERE (Translation): Read them.

Mr. DUPUIS: Has the hon. member received a letter complimenting the government upon the establishment of a company to make soap out of butter? The price of butter at the present time is so low that it is being used in the hon. member's district to make soap.

Mr. TETREAULT: If I receive such a letter I shall be glad to let the hon. member know. Hon. members opposite have been criticizing the government but they do not mention the fact that new industries have been established in their own constituencies. I should like to read an article which appeared

in La Presse of April 2, 1932. Hon. members opposite know that that is not a Conservative paper.

Mr. ST-PERE: Very independent.

Mr. TETREAULT: As my hon. friend will be some time.

Mr. ST-PERE: I mean that La Presse is independent.

Mr. TETREAULT: The article is as follows:

Normal Times Return

The Dominion Statistics of Trade and Commerce show a favourable balance of $15,000,000 for the period of the eleven months of the fiscal year just ended. It is a sign of the times of which we can rejoice, since it indicates a movement towards the reestablishment of the economic equilibrium in the Dominion. Our exports are in excess of our imports, that is we sell more than we buy. We consume still more home products, and this is all to the advantage of Canadian producers, as well as to that of the consumers themselves.

These are not the views expressed by members on the opposition side.

A country which is self-sufficing, which produces at home what it requires, instead of purchasing it abroad, is economically independent and its political life is less subject to changes.

A recent report of Mr. Frederick Hudd, Canadian Trade Commissioner in New York, gives interesting facts on trade dealings between Canada and the United States. Although, he states, the United States exports to Canada and the imports of Canada from the United States have shown a large decrease, in volume as well as in value, the largest decrease is found in United States exports. The latter total $395,647,609 in 1931, compared to $659,093,588 in 1930, therefore a decrease of $269,296,780 or 39·9 per cent. On the other hand, the Canadian imports from the United States amounted to $266,296,780 compared with $402,350,280 in 1930, a decrease of $136,053,509 or 33·81 per cent. Briefly, the unfavourable balance of trade of Canada with the United States totalled $139,350,821, in 1931, instead of $256,743,308, as in 1930.

Mr. Hudd points out a few groups of products on which the variations of Canadian-American international trade was more marked. As regards agricultural products, the value of Canadian corn exports amounted to $1,181,829 compared with $4,179,489, in 1930, and that of raw cotton was $7,247,434, instead of $13,051,040. As to the group of mineral products, the value of the United States exports of bituminous coal to Canada came to $37,624,093 compared to $49,981,697 in 1930. Crude oil and gasoline as well as manufactured metal products still show a greater decrease. The same can be said of United States imports of cheese, cattle hides, furs, linseed, unbleached sulphite paste, newspaper, non-concentrated copper, lead ore and lead matts.

However, the imports of bleached sulphite paste and concentrated cupriferous articles have greatly increased.

As a whole, our trade balance with the neighbouring republic tends to improve, while our trade with Great Britain, Australia, New Zealand and the other countries of the Empire give rise to great promises. There are encouraging prospects which portend to normal economic conditions for the future and therefore the end of the present crisis in a still nearer future.

My hon. friends will note that it is La Presse which makes this statement.

If hon. members opposite do not believe that the government is taking the proper means to solve the great problems facing this country, they can find the proof in the statement which appeared in La Presse.

I have mentioned what this government has done for industry and trade, and I should like now to draw the attention of all the government members to the situation confronting our farmers. The exact position in which the farmers of this country now find themselves may not be realized, but they know that the government is ready to cooperate to the fullest extent with the provincial governments in order to improve their position. I submit that the Quebec government, with its surplus dating back many years, should come to the rescue of the farmers of that province. The system of farm loans has been found to be nearly useless as far as Quebec is concerned, as only fourteen per cent of the loans applied for have been granted. It is not fair to help only fourteen per cent of the farmers and let the rest starve. If I am to be allowed to make a suggestion to the farm loan board, it would be that changes be made at once which would enable the farmers to obtain the amounts they urgently require. Hon. members opposite have been criticizing the government for not properly taking care of the farmer, and we should all work together, provincially and federally, to try to relieve the situation of agriculture. As things are going just now, conditions will be bad for the farmers this fall and some plan should be evolved to give required assistance to the farmers of Quebec and the other provinces.

I should like now to refer to a question of mine which appeared on the order paper for February 15 concerning the number of married women in the service of the government. It was a great surprise to me to learn that seventy-four of these women were not living with their husbands. I believe that the cause of this is that they have a position which enables them to be independent. I have received many letters from married women who protest against the employment of other married women who are not living with their husbands. I should not like all married women to believe that I am an enemy of women because I have a wife of my own who is certainly my best friend. However, in

times of depression we certainly should give preference to the married man who has a wife and family to support. The government should investigate the matter, and if there are any cases where the father of a family could be employed instead of some married woman who is not the sole support of a family, then let such a man be employed.

Since I have a few minutes more I want to read now an article from the Canadian Textile Journal, with reference to Manhattan Mills Limited:

Manhattan Mills Ltd. Establish Rayon Weaving Plant at Granby

144 Loom Plant to be Brought from Taunton, Mass. New Building to be Erected at Once

Another new textile industry for Canada was announced the latter part of March, The Manhattan Mills Limited, manufacturers of rayon and silk dress materials.

They have decided to locate in Granby, Que., where a new factory, 70 ft. x 240 ft. one storey brick and cement construction, will be built at once and it is hoped to complete the building within two months.

The new company starts off under unusually strong conditions. Mr. Harry Altman who will assume personal direction of the new company is well known as being thoroughly capable in this line having many years of practical experience in making fine dress goods. Their selling organization in Canada is already well established as the Manhattan Silk and Woollens Limited, of Montreal and Toronto, who have achieved success as wholesalers and jobbers in this line, are merging their interest with the new company.

The coming of this company to Canada is different from most companies in that instead of this being a branch of an American firm, in this case the entire factory consisting of 144 looms and other necessary complementing machinery will be moved entirely to Granby from Taunton, Mass., where it has been operating.

Textile and Industrial Centre

Granby was selected as the location for the new factory after investigating a great many sites, and should prove a happy choice, as this city has become well known as an exceptionally fine manufacturing city, as the many diversified industries successfully operating there bear witness. In the textile trades in Granby are, The Granby Elastic Web Co. Limited, The Esmond Mills Inc., Carl Stohn of Canada Limited, The Nordic Hosiery Limited, Stark Bros. Ribbon Corp. of Canada, while other large industries outside of the textile group located in Granby are, The Miner Rubber Co. Limited, The Imperial Tobacco Co. Limited, The Stedfast Rubber Co., Giddings Limited, reed and rattan furniture, The Meyer Thomas Co. Limited, box manufacturers, Granby Last Company. The Granby Manufacturing Co. Limited, makers of celluloid tees and novelties, United Maple Products Limited, Barre & Charron, interior woodwork, Kent Lumber Co., Albert Morin Mattress Factory, James Topp Cigar Co., and many other smaller industries.

Several of the above factories outside of the textile group use large quantities of textiles, such as the Miner Rubber Co. Limited, Giddings Limited, Stedfast Rubber Co. and others.

Work on transferring the Manhattan mills to Granby will be rushed with all possible speed and it is hoped to have this factory ready for operation within three months.

Such a record was made when the Stark Bros. Ribbon Corp. opened in Granby late last fall, as they were delivering ribbon three months after they decided to open a factory in Granby.

The Manhattan mills expect to employ about 150 people when they commence operations.

Before resuming my seat, I should like to assure hon. members that we from Quebec are proud to have in that province a large number of English speaking people. In my own constituency we have about twenty per cent English speaking, and in the town of Granby the two races are getting along wonderfully.

Mr. St-PERE: We are getting along very well.

Mr. TETREAULT: In my constituency French Canadians and English Canadians are working hand in hand, and it is only by means of such cooperation that we can hope to build up this beloved Canada of ours.

Mr. TELESPHORE ARSENAULT (Kent, N.B.): In rising to say a few words on the question before the house, I am aware of the difficult task that faces a new member when, from a sense of duty towards those whom he represents, he undertakes for the first time to address himself to his colleagues in the House of Commons, many of whom have had many years of parliamentary experience. Coming from a county where the majority of the population are of French descent, I think it is proper—and I believe the house will agree with me—that I should express myself in the beautiful language with which I am more familiar.

Mr. ST-PERE (Translation): Hear, hear.

Mr. ARSENAULT (Translation): Mr. Speaker, I wish to extend my sincerest congratulations to the hon. Minister of Finance (Mr. Rhodes), not only on the high office he so worthily fills today, but also for his clear and concise statement on the economic situation of Canada which he has so well explained in the budget, and which lucidly defines our revenues, liabilities and expenditures. Speaking on behalf of the citizens of Kent county, who have entrusted me with a mandate in this parliament, I also wish to add my token to the great mark of confidence of which the right hon. Prime Minister (Mr. Bennett) is at present the object, for the courage, ability and earnestness he displays in the great crisis

we are going through. While that crisis is world-wide in its effect, it, however, places upon us serious obligations and duties, a difficult and ungrateful task. We have faith in the future, and the country's affairs could not be in better hands than those of the man whom all acknowledge to be honest, highly experienced and well versed in financial matters. I refer to the right hon. Prime Minister.

In previous debates, the Liberals unceasingly reminded the Prime Minister of his pledges to the electorate during the last election. They seem to ignore that the situation we have to face to-day has been greatly aggravated by uncontrollable causes. They forget that the gates have been closed to immigration in order to keep unemployment at its lowest ebb; that the raising of the tariff resulted in preventing our markets from being flooded by foreign products, thus keeping the Canadian markets for our own producers when times become more favourable. They further forget that the obligations contracted in times of prosperity, the changes brought about by the motor car and its greater perfection, are as many burdens which weigh more and more, add to this the hardships prevailing, accustomed as we were to living somewhat in comfort. Hence these fixed charges such as the enormous amount entailed in the pensions to veterans, the interest on the national debt and the necessary maintenance of our national railways. These new burdens have greatly increased owing to the world wide crisis, and they thrust upon us the pressing duty to economize instead of distributing favours, to cut down salaries instead of increasing them; to reduce the number of civil servants instead of enlarging it. Now, sir, addressing myself to the people of Kent county, mostly fishermen or farmers, I wish to assure them that their special interests have not been lost sight of by the federal authorities who are aware that the fisheries and the farm are, in our section of the country, the two main industries. To the farmers of my county, I shall repeat what, the other day, the president of the French Canadian Association on Education stated to the French Canadian Agricultural Association of Ontario: while certain members of the family—under the guidance of the father and mother, heads of the establishment —will produce grain, fodder, vegetables, other members will busy themselves with making clothes, others will look after the fruit, the preserving of food, the making of cheese and butter, still others will utilize their time in making and repairing furniture, vehicles, sledges, farm implements and erecting and repairing the buildings. So that each member of the family will have work distributed to him according to his age, abilities and fitness. Every one being thus interested in his task, knowing that he is working for himself and his family, will not think of leaving the locality, where he finds continuous and remunerative work, to go to the city or the mills, where the assurance of work and remuneration become daily more uncertain. It is true, that for a number of years, the whole economic organization of this country has tended to destroy home industries and to commercialize certain branches of agriculture. The result is that our rural districts are short of money which is constantly being drained to other centres. All agricultural branches which have been exclusively industrialized have been the cause of over production and have ruined many a rural family who had followed such practice. For instance, the wheat growers who realized large profits as long as their products found an easy market, but the moment the wheat market fell, distress replaced abundance among this class of farmers who have specialized in one branch of agriculture without paying any attention to providing clothes or food products for family consumption.

As to the fishermen of the county of Kent, I wish to inform them that the federal Minister of Fisheries is alert to all which may interest them and, if the present depression is hard on them, they must not lose faith, but hope that their lot will soon improve.

To these two groups, as well as to others, I wish to extend the assurance of my sincere sympathy and unceasing zeal for all that concerns and interests them.

In closing my remarks, let me once more express to the people of the beautiful county of Kent my very sincere thanks for the honour they have bestowed upon me by electing me as their representative. I wish to assure them that on all occasions I shall deem it my duty to protect the special interests of my county and the country at large.

Mr. CHARLES BELEC (Pontiac): Mr. Speaker, at the outset of my address may I follow the excellent example of those who have preceded me in this debate, and extend my congratulations to the Minister of Finance (Mr. Rhodes) upon the excellent manner in which he has explained the budget to parliament and the country. The budget is a businesslike statement which clearly sets forth Canada's high position among the nations of the world. It shows how Canada has balanced her trade, met all her obligations and maintained her credit. The government of which I am a supporter has courageously tackled the

unemployment problem and thus brought relief to thousands of Canadian people. The budget has been well received by the country: it has not disturbed business and it has shown that, despite the world economic crisis, our position is relatively better off than that of any other country.

The tax levies in the budget have been placed on those best able to bear them, and will not prove a hardship to the farmer who in these days has problems of his own. I should also like to remind the house that the government has saved our country industrially by enacting proper tariff protection. As a result of the tariff policy of the Bennett government more than 157 new industries have been established in Canada since the last dominion election, and they are employing Canadian men and women who were idle during the latter years of Liberal misrule.

I should like to tell the house something of the county which I have the honour to represent in this parliament. Pontiac is undergoing the stress of hard times, but undergoing it with courage. The people of that county are descendants of sturdy pioneer stock who have contributed so much to our country. Pontiac is going through the depression, but is not going back. It is true that lumbering, which has been one of our basic industries, is not what it has been in the past, but in agriculture and mining my county is second to none in this or any other country. Think of the diversified wealth in Pontiac. We have the rich Rouyn gold area with the great Noranda mine, while in the Abitibi district the discovery of rich ores presages great development. At Timiskaming we have the great plant of the International Paper Company. In regard to lumbering, may I say that we have untold resources in pulp and hardwood. As a matter of fact the only virgin pine in Quebec is to be found in Pontiac around Grand Lake Victoria.

The constituency of Pontiac extends from the town of Aylmer on the Ottawa river to James bay, and is one of the largest in area in Canada. We have the resources, but best of all, we have the people. The census taken in June of last year shows the population of Pontiac to be 64,155, which represents a gain of nearly 20,000 since the last census was taken in 1921. This is the healthiest sign of all that our county is increasing by leaps and bounds. The northern part, Abitibi, has increased enormously; it has a population of 22,133, which is almost 10,000 more than ten years ago. The people of the northern end of my county, like the people of old Pontiac, depend not upon doles but upon themselves; they are workers, the best in the country.

As regards financial matters, may I say that old Pontiac is out of debt as far as county rates are concerned, and most of the municipalities are in the same happy position. My own municipality of Mansfield does not owe a dollar. I have been a member of the Mansfield council for thirty-five years, mayor for fifteen years and, besides that, chairman of the school board for years. In Pontiac we pay our way. Our people are not extravagant, but limit their spending to their means.

I should now like to say something about agricultural conditions in my county. Prices, in common with those the world over, are the lowest in years, and I would respectfully urge the Minister of Agriculture (Mr. Weir) to include Pontiac in the schemes of departmental activity. I regret to say that under the previous government our county was neglected, and, may I say, ignored. I often hear the former Minister of Agriculture (Mr. Motherwell) speaking in the house, but I find that during his administration the Department of Agriculture did absolutely nothing for the farmers of Pontiac.

May I point out some of the agricultural resources of my county? The last census of live stock shows the following for Pontiac—I will deal with the Abitibi district first: horses, 2,877; cattle, 11,631; sheep, 1,651; swine, 4,461; poultry, 56,900. In Timiskaming the total live stock is as follows: horses, 2,934; cattle, 21,908; sheep, 10,130; swine, 7,581; poultry, 50,028. In old Pontiac there were 7,606 horses; 38,929 cattle; 25,844 sheep; 15,746 swine, and 162,770 poultry. Thus the live stock census of 1931 showed the following for the whole county: horses, 13,417; cattle, 72,658; sheep, 28,625; swine, 27,688; poultry, 269,698. I have quoted these figures from the Bureau of Statistics to show that our country is progressing despite the hard times. But what we want is a market for our products. I would like to endorse the suggestion that was made by the hon. member for Dufferin-Simcoe (Mr. Rowe), that mixed farming be encouraged by means of a cash bonus. This is an emergency situation, and such a step would bring great relief to the farmers of Pontiac county, who are all engaged in mixed farming. I believe that if our exports of live beef were bonused by two cents a pound it would greatly increase production and as well restore the purchasing power of the farmer. In this regard may I point out that the farmers of Canada represent forty-six per cent of the total population of the country, and until their purchasing power is restored general prosperity cannot return.

I would like to see the farmers of Canada recapture the bacon market in Great Britain, and to help them in accomplishing this the

government might grant an export bonus of two cents per pound. Denmark now enjoys the bacon market of Great Britain. In 1930 Denmark sold millions of pounds of bacon to Great Britain while we sold only a fraction of that amount. I would also respectfully urge the government to give the farmers a bonus on cheese and dairy products, and a bonus of say three cents per dozen on eggs. This would bring prosperity to the farmer. Establishing a bonus system for our exportable farm surplus would automatically stimulate the market at home and return about $30,000,000 to the farmers of Canada through the increase in the price of farm products. The prices of farm products have dropped fifty per cent, and I would respectfully suggest that it is time that something be done for the farmer.

We are looking forward with the keenest anticipation to the Imperial conference to be held in Ottawa this summer, which I am sure will result in a marked stimulus to empire trade, bring about mutual advantages to the various parts of the British Empire, and herald the return to better days and prosperity.

On motion of Mr. Reid the debate was adjourned.

On motion of Mr. Rhodes the house adjourned at 10.45 p.m.

Tuesday, April 19, 1932

The house met at three o'clock.

STANDING ORDERS

Mr. A. U. G. BURY (East Edmonton) presented the third report of the select standing committee on standing orders.

Mr. BURY moved that the report be concurred in.

Motion agreed to.

BUSINESS OF THE HOUSE

On motions:

Mr. T. H. STINSON (Victoria, Ont.): With the unanimous consent of the house I desire to move:

That for the remaining period of the present session all private bills when ready for presentation be read a first and second time and referred forthwith, and also that standing order 105 respecting the posting of all private bills referred to the committee of the house be suspended.

Mr. LAPOINTE: Is this the usual motion towards the end of the session?

Mr. STINSON: Yes, it is to facilitate the passage of bills that are late in being presented to the house. One bill that we have in mind is that of the hon. member for Kenora-Rainy River (Mr. Heenan).

Mr. GARDINER: Will the motion apply to bills now on the order paper?

Mr. STINSON: To any private bill now on the order paper, yes.

Motion agreed to.

WINNIPEG POSTAL STAFF

Hon. ARTHUR SAUVE (Postmaster General) (Translation): Mr. Speaker, at the request of the hon. member for Gloucester (Mr. Veniot), I beg to lay on the table of the house the circular as well as the written statement which I forwarded yesterday to the hon. member for Winnipeg North Centre (Mr. Woodsworth).

UNEMPLOYMENT AND FARM RELIEF

Hon. W. A. GORDON (Minister of Labour): I desire to lay on the table of the house the following orders in council passed pursuant to the Unemployment and Farm Relief Act, 1931, and the Unemployment and Farm Relief Continuance Act, 1932, all relating to payments of money, namely: Nos. 447, 817, 863, 864, 865, 866, 867, 868, 869, 876, 877, 878.

PRIVATE BILL

FIRST AND SECOND READINGS

Bill No. 46, to incorporate the Lake of the Woods International Bridge Company.—Mr. Heenan.

SALES TAX—CONTAINERS

On the orders of the day:

Mr. T. M. CAYLEY (South Oxford): I would like to direct a question to the hon. Minister of Finance based on a number of telegrams that I have received to-day, similar no doubt to those that the minister has received, from cheese factories and dairy men in Oxford county asking that they be relieved of the sales tax imposition which they find affects the price of what they call dairy containers, containers for cheese and butter. I would strongly urge upon the minister that he view this request favourably because he well knows the hard times which the dairy interests along with other branches of agriculture are experiencing these days. I trust that the minister will accede to this request.

Hon. E. N. RHODES (Minister of Finance): The hon. gentleman has succeeded, Mr. Speaker, in making a speech rather than in submitting a question. His remarks would be more appropriate if we were in committee on the resolutions where the matter can be discussed at length and where only can we appropriately make any announcement with respect to the matter.

Mr. CAYLEY: I shall be pleased to repeat my question when we are in committee.

Mr. A. L. BEAUBIEN (Provencher): May I ask the Minister of Finance if he will likewise give consideration to the producers of honey, regarding the sales tax on their containers?

MARKETING BOARD

On the orders of the day:

Mr. JOHN VALLANCE (South Battleford): In view of the announcement appearing in the western press, particularly in the Saskatoon Star of April 15, which in big red letters says "government to create marketing board," I would like to ask the Prime Minister or the Minister of Agriculture if it is the intention of the government to bring down legislation this session for the creation of such a board.

Right Hon. R. B. BENNETT (Prime Minister): The matter is under consideration.

TECHNICAL EDUCATION

On the orders of the day:

Mr. J. S. WOODSWORTH (Winnipeg North Centre): I would like to ask the Minister of Labour whether it is the intention of the government to implement legislation of last year with regard to grants to the provinces on account of technical education.

Hon. W. A. GORDON (Minister of Labour): The question of appropriating moneys for that purpose is under consideration and the provision that may or may not be made will be made known, I expect, in a very short time.

MANITOBA SAVINGS OFFICE

On the orders of the day:

Right Hon. R. B. BENNETT (Prime Minister): I intimated, Mr. Speaker, to the hon. member for Winnipeg North Centre (Mr. Woodsworth) that I would endeavour to-day to communicate to him such information as I had with respect to the Manitoba savings office and the difficulties that were experienced in connection with the payment of depositors.

I was absent during the early part of the month of December last, but so far as I can ascertain, on the sixth day of December last Mr. Bracken, the premier of Manitoba, with Mr. Pearson, one of his officials, saw the Acting Minister of Finance (Mr. Rhodes). And I am informed that on the succeeding day Mr. Bracken and Mr. Pearson saw the general manager of the Royal Bank of Canada in Montreal.

Of my personal knowledge, on my return to Canada a few days before Christmas, on the twenty-second day of December, I saw Mr. Bracken and Mr. Pearson. So far as my memory serves me, it was the first occasion upon which I knew of the serious position of the savings office in Manitoba. It was explained to me at some length; I was told of the number of depositors, the extent of the liabilities and the assets with which claims could be met. My memory is that the Premier of Manitoba concluded to remain in eastern Canada over the Christmas season. On December 28, having returned to Ottawa I again saw the premier and we discussed certain obligations of the province of Manitoba which were about due or shortly would be due in New York, and arranged for a renewal by the payment of a million dollars which we agreed to advance to the province of Manitoba.

On January 18 I addressed a communication to the premier of Manitoba which I shall read. This is one of the personal letters concerning which privilege has been removed:

Ottawa, January 18, 1932.

Hon. John Bracken, M.L.A.,
Premier of Manitoba,
Winnipeg, Manitoba.

Dear Mr. Bracken:

Referring to our many discussions regarding deposits in your savings office, our departmental officials have directed attention to the advertisement that has been appearing in the press, looking towards the increase of these savings. In view of the statements of yourself and Mr. Pearson when you were here, I would think this might lead to a very complicated situation.

Yours faithfully,

R. B. Bennett.

The advertisement in question reads as follows:

The Province of Manitoba Savings Office
Invites you to
open a Savings Account
and offers
Safety, Security and 3½ per cent
compounded half-yearly.
One Dollar opens an account
Hours: 10 a.m. to 6 p.m;
Saturday 9.30 a.m. to 1 p.m.

Offices: Donald and Ellice, Winnipeg,
984 Main Street, Winnipeg,
23 Tenth Street, Brandon,
Portage la Prairie, Carmen,
Dauphin, Ethelbert and Stonewall.

Mr. Bracken sent a reply dated January 21, 1932, as follows:

Dear Mr. Bennett:

I have your letter of the 18th instant in reference to provincial savings office. I appreciate the thought which prompted you in writing me about it.

When the advertisement to which you refer came to my notice I immediately got in touch with the trustees. Apparently a number of malicious rumours were being circulated, and having come to their notice the trustees thought the advertisement might have the effect of stopping them. On my suggestion at the time, the advertisement was discontinued.

Yours sincerely,
John Bracken.

On January 26 of this year Mr. Bracken, accompanied by E. K. Williams, K.C., who was acting as his legal adviser, visited the city of Montreal and saw the general manager of the Royal Bank of Canada. I know that from what they told me, because on the succeeding day, namely, January 27, Messrs. Bracken and Williams visited me in the office of the Minister of Finance in the east block of the government buildings. Both made statements regarding the savings offices. They stated they had concluded that under present economic conditions they would close the offices. I must say in view of the information they gave to me I told them I heartily agreed with the action they were taking. They explained to me that all the assets they had with which to meet depositors' claims consisted of exchequer bills and bonds of the province of Manitoba, some bonds of the city of Winnipeg, some Dominion of Canada bonds which were no longer in their possession but which had been hypothecated by way of option sale to the Canadian Bank of Commerce, with which the account was being carried. They also intimated to me the resources in cash borrowed on Dominion bonds which they had on deposit in the bank with which to meet the claims of those who had made deposits in the savings office. They expressed the fear that a situation might develop which would require action being taken very speedily on their part. They explained that the banks would lend the money to the Dominion of Canada if we in turn would lend it to them to enable them to meet the claims of depositors which might be made. I declined to consider that suggestion at the moment, but suggested that they return to Winnipeg; and I have a clear recollection of indicating the character of the statement which I thought they might well make, first indicating that the serious economic conditions prevailing warranted action being taken to close the offices, and secondly that they would take advantage of the provision of their law which enabled them to ask for notice before payment. I suggested that thirty days' notice should be asked. They both expressed the fear that such action might precipitate calls being made unduly upon the deposits of the office. However as a result of our discussion, which was somewhat extended, no final or decisive action was taken. It was open to them either to make the statements I have suggested or to take such other action as might be desired.

The records indicate that on January 29 Premier Bracken saw Mr. Rhodes whom I had called in at one of the discussions, because he had been acting Minister of Finance and it was fairly clear that he would succeed me in that department. On the same day instructions were given to send $500,000 for the relief works to the province of Manitoba, and if vouchers came in quickly it was intimated that the government would send another $500,000. On January 30, Mr. Bracken wrote a letter to Mr. Rhodes and among other things stated that the savings office matter was giving him much cause for consideration and worry, and he trusted that the matter would not be overlooked. In consequence of a return requested by the hon. member for Lisgar (Mr. Brown) that letter has been placed upon the records. However, in order to make the record complete, I shall read that paragraph of Mr. Bracken's letter to Mr. Rhodes which has reference to the savings office.

1. Provincial Savings Office: In view of certain rumours being circulated that this institution is unsafe, there may develop such a demand for deposits as cannot be met at once. To allay any possibility of this happening, the banks have advised that they are prepared to loan to the dominion any amount of money that may be necessary in this connection, providing the Dominion will reloan it to the province. This will enable the province to assure depositors that their deposits are fully available at any time, and thus avoid a possible "run" on this institution. If something like this is not done, a difficult situation may arise, one that might be embarrassing not only to the savings office but to trust companies and banks, as well as to the general credit structure.

This matter has been the subject of discussion with the banks and with Mr. Bennett during the past few weeks.

Yours very truly,
John Bracken.

P.S.—While the above matters are all more or less pressing, No. 1—

And many others—

—are of immediate concern.

J.B.

Hon. members will observe that that communication is dated January 30, 1932. Then, on February 4 I received an urgent message reading as follows:

Confidential message being transmitted to you through Bank of Montreal. Would appreciate sympathetic reconsideration of matter referred to.

John Bracken.

The message decoded and forwarded to me by the Bank of Montreal, read as follows:

Please say to Prime Minister of Canada from Premier Bracken—"Unusual demand for money borrowed by province of Manitoba under Province of Manitoba Savings Act makes it necessary to raise by way of loan under Provincial Loans Act amount needed to meet demand. Will be compelled to make public announcement to this effect and also to require notice of desire to withdraw funds which at present is fixed at 30 days but that period will likely be extended from time to time until loans can be raised at best terms possible. We are doing this very reluctantly but no other way is now available. Banks still agreeable to lend the province of Manitoba money to meet this demand but only on additional security of Dominion government which you felt could not be given. Urge your government reconsider situation as we must act by February 6th noon at latest. If joint action of banks and Dominion government could make it possible to issue statement that depositors can be paid in full the present unusual demand would at once cease. Believe if it becomes necessary to take stand above indicated not only credit of province of Manitoba but of other provinces and the Dominion government and many loan and trust companies will be adversely affected. From January 23rd to yesterday inclusive 527 accounts were closed 207 opened with net loss of deposits of over $200,000 only partly offset by revenues from investments received at first of month. Eighty-eight were closed yesterday and withdrawals are continuing to-day.

John Bracken."

The manager of the bank intimated his willingness to send in cipher any reply that I might desire. I immediately replied in these words:

Message received. Have been in communication with banks. No action should be taken until Monday. Meantime advise number of current accounts; total deposits, with full statement of securities held against same.

Immediately upon receipt of the message and before I sent the reply, I communicated with the banks by telephone and realized that the position was one of very great difficulty and calling for immediate action if we were not to precipitate a situation which was certainly undesirable at this time. I received a reply to my telegram dated the next day, namely the 6th of February. It was received through the Bank of Montreal in cipher, decoded, and sent forward to me. It read as follows:

Say to Prime Minister of Canada: "Message received. Will delay action until Monday as per your request. As of yesterday's date number of accounts 42,168 demand deposits $12,736,968 plus interest from December 1st last. Securities held follow: province of Manitoba exchequer bonds and treasury bills at par $8,463,470, province of Manitoba debentures and registered stocks at par $3,084,203, city of Winnipeg debentures and registered stocks at par $532,392, other municipal debentures at par $73,558, Dominion of Canada direct obligation at par $119,000. Stocks and bonds guaranteed by Dominion of Canada at par $2,473,130. Total at par $14,745,755. The total of last two items is pledged for a loan of $2,000,000 of which $1,700,000 has been used. If more details desired will gladly furnish. Would appreciate decision early as possible.

John Bracken."

A message asking for further delay having been sent, Mr. Bracken on the 8th of February wired:

Message received. Quite willing to accede to your request. No improvement in situation.

During the intervening hours—because time was running very rapidly—I took this matter up as best I could through the banks, advised them that the securities were as I indicated, which corresponded with the records of the banks in that regard, and found that the only available securities were those of the province of Manitoba and of the city of Winnipeg and of other municipalities of the province to meet these demands, which were increasing in number.

I disliked assuming responsibility in the matter. The saving offices had no cash beyond what they had borrowed from the Bank of Commerce on the $2,000,000 of Dominion government securities, direct and guaranteed, which sum had been practically exhausted on the night of the 9th. But the banks intimated that if we would assume ultimate responsibility they would supply the necessary funds to enable the province to meet the claims of the depositors, and on the 9th day of February I sent to Mr. Bracken this message:

You will be advised by code telegram tomorrow the terms on which your proposals will be accepted.

The negotiations between the banks and Mr. Bracken were not carried on through the government or any member of it, they were carried on directly in Winnipeg through the western supervisors of the banks doing business in that city, who were in direct contact with their principals at Toronto and Montreal. In due course we were advised of the conclusions at which they had arrived, and it

was dependent entirely upon our action as to whether or not they would provide the money to meet the depositors' claims. On the 17th day of February therefore, it having taken some time to get the information in detail, the following letter was sent to the general managers of the chartered banks doing business in the city of Winnipeg:

Dear Sirs:

Referring to the proposals from the government of Manitoba (as per copy attached) which I understand the banks are ready to accept and under which the chartered banks doing business in Winnipeg are about to assume the deposit liabilities arising under The Provincial Savings Act, 1924, of the province of Manitoba, and amendments thereto, the government of Canada agrees with the banks, in consideration of the assumption of such liabilities, to indemnify them from all loss in connection therewith; and on the other hand the banks, in consideration of the agreement to indemnify, agree to transfer to the government of Canada the treasury bills received from the province of Manitoba and all collateral securities received by the banks from the province, pari passu with the making of advances of cash by the government of Canada, or giving of its treasury bills by the government of Canada as hereinafter provided.

The government of Canada hereby further agrees, because of the assumption of such liabilities by the banks to place a deposit in cash in each bank in Winnipeg to meet any withdrawals of deposits so assumed, and upon exhaustion of such cash deposits as may be made from time to time, to recoup the banks in lieu of cash, at the option of the government of Canada, for such withdrawals and interest thereon, and interim interest on any uncovered advances made by the banks, by the giving of one year treasury bills of the government of Canada bearing interest at the current rate, not to exceed 5 per cent per annum, payable half yearly, the liability of the government of Canada to supply cash or its treasury bills to continue until the deposit liabilities assumed by the banks as herein mentioned and all interest thereon are completely discharged.

Yours faithfully,

R. B. Bennett,
Prime Minister.

The copy of the letter referred to is dated Winnipeg, Manitoba, February 16, 1932. It is directed by the premier, Mr. Bracken to:

S. H. Logan, Esq. (representing the chartered banks in Winnipeg).
General manager of the Canadian Bank of Commerce, Toronto, Ontario.

Dear Sir:

For some time, as you know, the government of the province of Manitoba has been giving careful consideration to the position of the provincial savings offices. We have now reached the conclusion that if adequate provision is made for the taking over of all deposit liabilities in connection with the provincial savings offices operated under chapter 174 of the Consolidated Amendments of Manitoba and amending acts, the public interest and the interest of the depositors, under existing conditions, would be best served by the closing of the offices. On behalf of the government I therefore submit the following proposal:—

If the chartered banks represented in Winnipeg are willing to take over all outstanding accounts of depositors in the offices operated under the provisions of said chapter 174, the government of the province of Manitoba will at once issue to the banks treasury bills of the province, payable one year after date and bearing interest at the rate of 5½ per cent per annum, payable semi-annually, to the extent of such liabilities, and will ratify same at the ensuing session of the legislature.

Pending such ratification by the legislature such bills will be issued by the province to an amount equal to such liabilities as and when assumed and will be delivered, together with, as collateral security, all securities now held by the said savings offices to such chartered banks, these collateral securities to be held, less any realizations therefrom, until the treasury bills are paid, and any realizations therefrom to be applied in reduction of the treasury bills.

If this proposal is accepted by the banks the government will discontinue receipt of deposits in such or any other offices.

Yours very truly,

(Signed) John Bracken,
Premier and Provincial Treasurer.

The transaction ended there so far as we were concerned. We were not at the moment called upon to place any cash in the banks, and as I understand the matter the accounts of depositors were divided among the chartered banks doing business in Winnipeg. I have merely this further observation to make in answer to the question that was propounded by an hon. member upon the orders of the day. The province of Manitoba having concluded, for reasons in my judgment good and sufficient, to discontinue its savings offices, I was not anxious that we should assume responsibility for the accounts which it had itself taken and for which it had acquired the securities that I have indicated. The banks pointed out that they had already too many Manitoba securities in their portfolios to enable them unprotected and unsupported to deal with the situation alone. In view of that circumstance I gave, of course with the concurrence of my colleagues, the letter which I have just read. I am entirely in the judgment of the house with respect to it, but one of two things had to take place: Either a situation that had developed was to become very much worse by reason of the continued pressure of depositors for their money, or something had to be done that would support the situation to an extent that would prevent further demands being made. In view of the fact that the province had concluded to withdraw from the business, I decided that the request indicated, being the only method that was available, should be acceded to for the purpose of saving the situation which had

become very acute and the repercussions of which would be injurious not only to the province itself but to the other provinces of the dominion as well as to the credit of Canada.

Mr. BEAUBIEN: For information, may I ask the right hon. gentleman a question? Did not Premier Bracken come to the conclusion to close the provincial office after the Dominion government had refused to guarantee the deposits, which guarantee the government gave to the chartered banks afterwards?

Mr. BENNETT: That is not my understanding of the situation. Premier Bracken and Mr. Williams attended at my office and the statement they made clearly indicated that they concluded it was not wise under existing economic conditions to continue their savings offices.

Mr. BEAUBIEN: They had no alternative. The government refused to give them the guarantee.

Mr. BROWN: Do I understand the Prime Minister to say that it was not through him the terms were sent to Premier Bracken that they were to call the legislature within a certain time and to repeal the statute under which the savings office was formed?

Mr. BENNETT: I have read to the hon. gentleman the documents that passed between Premier Bracken and myself. As regards the agreement with the banks, that was a matter of negotiation between the banks and Mr. Bracken.

Mr. BEAUBIEN: After the federal government had refused assistance.

Mr. BENNETT: As I understand the matter, Premier Bracken was in Winnipeg and they were in Toronto. The inspector general of banks informed me that an agreement had been reached and he told me in a general way what the arrangement was. As a matter of fact, if my memory serves me aright, no such agreement was arrived at as that suggested by the hon. member for Lisgar (Mr. Brown). I do not think there was in the agreement—and I have read it here to-day as I received it—anything that would indicate that the legislature was to be summoned. That is not in this document that I have read.

Mr. BROWN: Those terms were certainly submitted to Premier Bracken by the government or directly from the banks.

Mr. BENNETT: I assure the hon. gentleman it was from the banks direct; it was not from the government. Might I, without being thought censorious, say this: It does seem rather hard, when pressed on every side with problems of great magnitude, when this dominion was not only providing money for the obligations of the province of Manitoba maturing in New York, but advancing money to enable it to meet its obligations to municipalities and cities as well as its own as a government, that when the steps I have indicated were taken, we should be the subject of abuse and the target for criticism in our effort to improve the situation. This is something I find rather difficult to understand.

Mr. BEAUBIEN: May I ask the Prime Minister if he is laying this correspondence on the table of the house?

Mr. BENNETT: I have put it on Hansard.

Mr. LAPOINTE: May I ask my right hon. friend whether any orders in council were passed to ratify those guarantees or undertakings?

Mr. BENNETT: No order in council has yet been passed and perhaps my hon. friend will realize just why that is the case. When one has a problem of this magnitude to deal with, involving nearly $13,000,000, it is not desirable, until the appropriate time comes, that being the necessities of the time limit, to advertise by order in council or otherwise that the situation has reached the point that it has. In any event the action taken was only as against ultimate loss, as the hon. gentleman will observe.

Mr. LAPOINTE: Is there anything binding on the government at the present time?

Mr. BENNETT: The good faith of this administration.

Mr. LAPOINTE: Peace, order and good government.

Mr. HANSON (York-Sunbury): The honour of the country.

Mr. BROWN: Don't you talk to us about honour.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Monday, April 18, consideration of the motion of Hon. E. N. Rhodes (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Ralston, and the proposed amendment to the amendment of Mr. Gardiner.

Mr. THOMAS REID (New Westminster): Mr. Speaker, before saying what I have to say on the amendments to the budget, I want to make a few remarks regarding statements that were made in the house on Thursday last in connection with unemployment relief works in British Columbia last fall. I did not intend again introducing this subject as, first, I thought enough had been said in the house to show the great need there was for having an unpartisan committee handle relief matters, and also, second, that the mere fact of discussing the matter does not help the present situation in British Columbia. I would not again introduce this were it not for the fact that the hon. member for Nanaimo (Mr. Dickie) saw fit to bring up the matter in this house, when he read a report which purported to emanate from Victoria—a report in connection with a committee that had been appointed by that legislature to inquire into affairs affecting the unemployment situation in British Columbia, and in which report my name is three times mentioned. I think it is only fair that I should make some reply. I do not propose to allow those statements to go unchallenged. Before proceeding, however, let me say that I am indeed sorry that so estimable a gentleman as the hon. member for Nanaimo, one who is universally liked on both sides of the house, should have seen fit to introduce in this house what at that time must have been either an advance copy of the draft report or a telegraphic copy wired to him the night before, and which I claim was introduced in this house in an endeavour to discredit statements which I and others had made, and with a view to bolstering up his friends in Victoria. It is true, as the hon. member for Nanaimo stated, that a committee had been appointed to investigate the charges that had been made with reference to the handling of unemployment relief in British Columbia. That committee was composed of members from both sides, Liberals and Conservatives, the Conservatives, being, according to custom, in the majority. I may say that both the draft report and the final report as presented to the house in Victoria were prepared by the Conservative members of the committee, and that report was presented to the Legislature of British Columbia only on Wednesday, the day previous to its introduction in this house. The draft was prepared on the 11th. In support of that statement I will quote from the Vancouver Sun of April 11, which was the Monday:

> After Major Brown was dismissed from the committee, the members went into camera to consider the draft report which had been prepared by the chairman. The Liberal members withdrew along with Mr. Pattullo. T. D. Pattullo announced that he had taken the stand that the terms of the resolution calling for a full investigation had not been carried out in any degree. The evidence was not before the committee and he did not consider he could be of any assistance in drafting a report under those circumstances. The other Liberal members withdrew along with Mr. Pattullo.

As a matter of fact, the full inquiry closed only on Monday of last week, which was the 11th, and which was just three days previous to its introduction in this house. Now I intend to deal a little later with the contents of that report, but for the moment I will discuss the investigation which was held. Perhaps it would be well for me to read an impartial opinion with reference to this investigation. I quote also from the Vancouver Daily Province of the 11th, the following:

> Twigg probe "shameless spectacle."

Mr. Twigg was the chairman of that committee.

> Harold Brown, trade board president, slams inquiry. Investigation into relief camp expenditure in British Columbia, carried on recently by a select committee of the provincial legislature was "a spectacle of shameless evasion and distortion of the truth," Mr. Harold Brown, president of the Vancouver board of trade, told members of the real estate exchange at a luncheon in Hotel Georgia at noon Friday. "I 'sat in' on some of the sessions of the so-called probe," Mr. Brown declared, "and can draw my own conclusions from what I saw and heard. If anyone told the truth they would have been crucified.". . . "The gorgeous spectacle in Victoria of the so-called probe—at $200 a day—in which if anyone spoke the truth he would be crucified," exemplifies the policy "to drift," he contended.

Mr. Brown is a very prominent citizen of Vancouver. He holds the important position of president of the Vancouver board of trade and is a well known business man who is held in high regard. I believe that he was formerly Conservative, but at the moment he declares that he has no use for either party. He is therefore just now a non-partisan, and he was, I believe, speaking impartially. In support of that statement, I will show later on the attitude he took when he appeared before that committee.

Such statements, Mr. Speaker, could not be left unchallenged, coming as they did from so important a personage as Mr. Harold Brown, and so Mr. Twigg at once asked him to come to Victoria and explain to the committee the statements he had made, namely, that the whole investigation was a shameless spectacle, etc. He appeared before that committee, and I am going to read here one or two quotations with regard to what he had said, and the statements he made. He was asked

whether he would take back or apologize for what he had said. He said, no; he would not take back one word; everything he had said had to stand. I quote:

"We are not satisfied that the details have been developed," he said. "We know funds were eaten up wholesale. My knowledge is based on details that have been given to me personally."

"Gossip?" suggested the chairman.

"No, I do not gossip," retorted Major Brown. "My information is from responsible business men."

He stated the inquiry had been a farce, inasmuch as a timekeeper who had been called from one of the camps to give evidence had been there from fifteen to twenty days and had not been summoned before the committee to give any information regarding the expenditures in connection with those camps. From accounts that have been received since, I may say, Mr. Brown is being generally complimented upon his courageous statements.

Now, regarding the statements made by myself, on March 16 last in this house, I intend to take a few minutes discussing these. On that date I made fourteen definite assertions with regard to the handling of the unemployment relief situation in British Columbia. Out of those fourteen assertions the committee have seen fit to embody only three in their report as submitted in the legislature in Victoria and as presented to this house on Thursday of last week. As I have stated they dealt only with three of the fourteen assertions. However, I will discuss those three because my name has been brought in, and statements have been made regarding what I had said. The first statement made was with reference to a statement which will be found in Hansard of March 16, and which was quoted here on Thursday of last week. Let me read from the report:

The suggestion made by Mr. Thos. Reid, member of the House of Commons for New Westminster (at page 1283 of Hansard, 1932), that one manufacturer had "sold 50,000 blankets and it took him out of the red," is without any foundation in fact.

Regarding that statement of mine, I have only this to say, Mr. Speaker, that the information was given me just before I left for Ottawa by a prominent business man in Vancouver, and one who is in the wholesale line in a large way. I accepted it from him in good faith. The second reference to myself in the report reads:

(g) Mr. Thomas Reid (at page 1283 of Hansard 1932), stated:

"I counted in one camp 450 steel wheelbarrows. They had so many that a man was to be appointed to regulate their use." The evidence before your committee indicated that there might be 450 steel wheelbarrows in one camp but it would be in the nature of a depot or warehouse camp for a group of camps, and that the man referred to would be for the purpose of distributing wheelbarrows and other tools and supplies among the various camps requiring them.

They admit that the second allegation was correct, notice that they say there might have been 450 steel wheelbarrows. I am glad they do admit that because I counted them. They then say it was a distributing camp, but, Mr. Speaker, this camp was miles and miles away off by itself and almost on the boundary line between the United States and Canada. It could not have been a distributing camp because it was not near any other camp and was off the lines of communication or traffic. In connection with the third charge the report of the committee reads:

Mr. Reid further stated: "I have no comment to make regarding the construction camps except to criticize the loose way in which they were run." The evidence before your committee indicated that the camps were conducted in an efficient and economical manner.

What other finding could the committee make when they would not hear the evidence available? They refused to hear the timekeeper who was available as well as other witnesses who could have given information regarding the camp. Mr. Brown, an impartial witness, testified, and it might be as well to quote from his testimony because if I were to make the statements it might be said they were partisan. The newspaper report of this inquiry reads as follows:

Mr. Loutet again asked for one specific instance. "You cannot get evidence in a political inquiry which is accurate," Mr. Brown continued. He asked why a Mr. Brian, who was in Victoria for some fifteen or twenty days, was not called. He was a timekeeper in a North Okanagan camp. "He could have given information on some vital points."

The chairman, Mr. Twigg, then said: "Name another case." To my mind that was practically admitting that this charge was correct. The report continues:

"Then you are attributing to all the witnesses a careful plan of distorting the truth unless you will exonerate some of them," General Clark insisted. "You decline to exonerate any witnesses."

"You can draw your own conclusions," Mr. Brown replied.

And again:

Mr. Brown then asked the right to put some questions of his own to Mr. Twigg.

"Do you consider the inquiry perfect as to details of wasteful expenditure?" He asked.

Mr. Twigg replied that the committee had gone as deeply into these matters as it could.

"I am perfectly satisfied," Mr. Twigg added.

"There has been no extravagance?" Mr. Brown insisted.

"I wont say that," Mr. Twigg answered. "There must be extravagance when you put thousands of men into camps at short notice. The average cost of camps and of feeding the men compares satisfactorily with the cost in lumber and other camps in this province."

I need not go into this matter any further because from the evidence I have submitted I think it has been shown that this committee did not go very fully into the matter of the running of the camps, in fact they refused to hear witnesses who could give them this information. This demonstrates that the whole inquiry was simply, as Mr. Brown publicly stated, a farce.

I am sorry that all the assertions which I made on March 16 were not gone into. I made serious charges, some in connection with provincial cabinet ministers, and these were never brought out. Only three were dealt with. One was admitted; in the case of the other it was stated I was absolutely wrong regarding the 50,000 blankets, and in connection with the third charge they say that the camps were run in an economical manner. I think it is a mighty poor average when out of fourteen assertions and charges only three were dealt with. This would seem to indicate that, generally speaking, all my statements were accurate or eleven of them would not have been left unchallenged.

I have a copy of a provincial paper in which the premier makes a crack at the Liberal members of this house. He states that investigations had been made necessary by the spreading of propaganda to injure the government. I can assure the house that we do not need to say anything here to injure the government in British Columbia. The premier states that the disgraceful statements made by two British Columbia Liberal members in the House of Commons had been proven to be false. That is not exactly correct because, as I say, I made fourteen assertions and only three were dealt with, one of which was admitted to be correct. If there was anything disgraceful, it was the manner in which this whole matter was carried out, especially as some cabinet ministers were involved.

Mr. BENNETT: Is the hon. gentleman referring to cabinet ministers in this government?

Mr. REID: No, I was referring to cabinet ministers of the provincial government.

The hon. member for Nanaimo (Mr. Dickie) would have done his party and his countrymen much more good had he read the full report submitted to the legislature. This report contains many recommendations, but the hon. member saw fit to deal only with the unemployment charges and did not refer to what is also an important portion of the report. I think the hon. member would have done considerable good for the people of British Columbia by advocating the adoption of the suggestions submitted by this committee. I shall read one or two of the recommendations, which are as follows:

> That negotiations be opened with the Dominion government with a view of starting on the Peace river outlet and thus give employment to many men. That investigation should be made to the end that suitable men engaged upon such work would be assisted to a reasonable extent in taking up land in the Peace river district.
>
> That members of the militia unemployed be cared for by their respective units.
>
> That arrangements should be made for representatives of basic British Columbia industries to attend the Imperial conference as observers to assist the Dominion government in recapturing empire markets.

I am glad it is admitted that empire markets have to be recaptured. The recommendations continue:

> Direct relief being wasteful and demoralizing be discontinued in favour of work for remuneration.

I might say, Mr. Speaker, that in British Columbia camps have been established, machinery has been purchased and considerable money spent and, apart from the demoralizing aspect of the dole, it would be too bad if these facilities were not utilized any further. As I said before, the hon. member for Nanaimo would have accomplished much more had he read all the recommendations submitted to the provincial legislature on April 13.

During the short time at my disposal I shall discuss a few matters touching upon the amendments to the budget and the budget speech, as well as general affairs. I listened last evening to an hon. member throwing out accusations that the Liberal party had changed its attitude. It is rather amusing to hear such accusations, because if there ever was a party which changed its attitude, it is the party sitting to the right of the Speaker. Although not then a member of this house, I well remember, when the Dunning budget was brought down, the pooh-pooh that went up all over the country against what was called the gesture in that budget of extending a preference to Great Britain and raising the tariff against foreign countries. The hon. Minister of Trade and Commerce (Mr. Stevens) called it a meaningless gesture, and generally speaking the budget was ridiculed by hon. gentlemen opposite. But they have since changed, Mr. Speaker, and changed very fast. As a matter of fact, if the Liberal party does

not watch out the Conservative party will soon have stolen the whole Dunning policy from under the noses of the Liberal party and will be advocating it here in the house, judging by what I have seen and heard since I came to this house. I remember also that in 1930, when the Prime Minister of this country went to the imperial conference, the great Conservative cry throughout this country was then "Canada first"; put a wall around Canada. But they are not crying that so loudly now. It is now "Empire first" instead of "Canada first." I note further that in 1930 when the Prime Minister went to England there was a Labour government in power in that country. Since then however, there has been a change of government in England and although they have what is known as a Nationalist government now, it is as we know, practically a Conservative government. I believe that the attitude of our government in 1930 was due to the fact that there was a Labour government in power in England. It is significant that at that time the Conservative policy in this country should have been "Canada first," but that now when a Conservative government is in power in England the cry of the Conservative party in this country has been changed from "Canada first" to "Empire first." There is no doubt in my mind that the Tory mind has always been against Labour governments and the Labour party.

Last evening in this house I heard an hon. member read letter after letter regarding factories which have been started in this country since this government came into power, and I could not help but wonder at the time how it was that the number of unemployed was still increasing. Surely these factories are not manufacturing unemployed people. What on earth are they manufacturing in these new factories?—Because unemployment is certainly increasing.

Another hon. member got up and said that if the Liberal party had been in power in this country at this time, prices for agricultural products would have been much lower. It has always seemed strange to me, Mr. Speaker, listening to hon. members on your right speaking of agricultural prices, it would seem that they have better prices in those constituencies than we can get in our constituencies. When that hon. gentleman spoke of prices for agricultural products being lower, I say that that is impossible so far as British Columbia is concerned—the price of eggs for instance, could not be lower unless they are going to give you an omelet for nothing. I saw a letter the other day from a man who said that he gave a dozen eggs for one apple. I asked the price of the apple, and he said that it cost five cents. Then hon. gentlemen opposite say that the prices of agricultural products would have been lower if the Liberal government had been in power. I know that milk was thrown away in British Columbia at one period last year. Hon. gentlemen opposite say that prices of farm products are all right, but we on this side know that the price of eggs, for instance, in British Columbia could not be lower than now unless, as I said, they give an omelet for nothing. I believe that the Conservative policy in this regard is entirely wrong in that they are endeavouring to put industry first in a country that is primarily agricultural. I believe that our agricultural products should be looked after first, and let industry follow along and be built up after agriculture. But instead of that, the Conservative policy has always been to develop industry first by placing rings and restrictions all around Canada with the result that the agriculturist in Canada to-day is practically in bondage or slavery and the farmers cannot purchase any of the goods manufactured within our dominion.

I should like to discuss for a few moments the currency question. It was interesting to hear an hon. member say that gold was the most useless metal in the world. If he would give me all the useless metal of that kind he has, I assure him that I would gladly accept it. But as a matter of fact, Mr. Speaker, gold is not a useless metal. Apart from its value as a metallic basis for our currency, gold has always been a much-sought-after metal. It is a metal that will not corrode; it is a metal that will not deteriorate; it is a metal that is desirable in the manufacture of many useful and ornamental articles. It is only in comparatively recent years that gold has become a basis of value for the world. Since the beginning of time up until within the last one hundred years silver was the monetary basis. I am not one of those who believe that the settling of the currency question by using the system of bi-metallism or making gold or silver the standard will settle the affairs of the world, but so long as mankind pins its faith to something tangible I believe that our present system could be greatly improved by adopting bi-metallism, which is also more easily understood than the so-called inflation policy, or which we have heard so much in this house of late. I would like to have heard the Minister of Trade and Commerce go a little further in his remarks along these lines the other evening. He has given a great

deal of study and thought to this question, and as I say I would have liked to hear him go further than he did when he was on that —to me—very important subject. It is hard for the peoples of the earth to give up a metal that has been used as a symbol of value from the beginning of time. For the benefit of the house I am going to quote from an article, and I should like any hon. member who follows me to reply to the statements I am going to put on record. Here is one of the most startling statements that I have ever read regarding gold. It is in an article by P. A. O'Farrell, who I believe is considered an outstanding authority on this subject, and in this article he quotes Sir Henri Deterding, of whom he says:

Sir Henri Deterding is probably without a peer in the world of finance and business. He is also believed to have amassed unparalleled riches. But riches are not his aim.

Quoting Sir Henri Deterding, Mr. O'Farrell says:

It has often been asked, "What caused the Bank of England, and the British treasury to assume an inveterate dislike for silver money?" England was the first country to reduce the 12 to 1 gold parity of silver. The Bank of England was the first to limit the sum payable in silver. England was the first to altogether demonetize silver, and that 56 years before Bismarck forced Germany to do the same thing.

Dislike of silver currency or worship of gold has been an obsession with the Bank of England and the British treasury for more than two centuries.

As Sir Henri Deterding thinks, this obsession is not born of mature consideration or logical conclusions but of the "unreality" of fatalism.

In 1919 the average price of silver throughout the world was $1.25 an ounce. It climbed to $1.85 an ounce in February, 1920, when there was an actual scarcity in silver for business among a billion people. Asia was at its peak of prosperity, and so was Latin America, in 1920. Gold was at a discount all over the world and silver had once more come into its own as queen of the monetary world.

Thereupon England appealed to the United States and succeeded in conjuring 260,000,000 American silver dollars from Uncle Sam. The British mint combined the 200,000,000 ounces of silver with 200,000,000 ounces of copper and fabricated £100,000,000 sterling of debased silver currency out of the money borrowed from the United States for $202,000,000.

The British treasury then withdrew all its sterling silver money from circulation, melted it into bullion, dumped the silver bullion in the oriental markets and broke the price of silver from a premium at $1.85 to 70 cents an ounce. It was aided in this debauching of silver money by the other countries of Europe, who also debased their silver money and dumped the surplus on the world's markets. This performance brought on the world depression in 1920 and 1921 and the painful recovery of the years following.

In 1927, to make certain that silver would never again soar to a premium over gold, the British treasury created a makeshift gold paper currency for the 350,000,000 people of India who did not want it, and having accumulated 1,000,000,000 rupees, turned them into silver bullion and began dumping that also on an already glutted silver market.

To stop the natives of India from buying imported silver, the government put a tax of over eleven cents an ounce on the white metal, and silver was thus driven down to 25½ cents an ounce in America and to one shilling an ounce in London.

Silver money we are told was demonetized to halt inflation. But instead of real silver money, the fossil monetary experts have put into circulation $6,000,000,000 of counterfeit silver and bronze currency which has only a metal gold value of $500,000,000.

Moreover they have added $200,000,000,000 of inflation paper credit money to keep company with counterfeit metal which, when revolution or an Attila and his hordes sweep through Europe, will be as worthless as the trillions of paper money which Germany issued during the world war.

The gerrymander of the world's money during the last two hundred years has robbed the human race of hundreds of billions of its potential wealth and capital and stalled the conquests of civilization in Asia, Africa, Australia and Latin America.

If the spirit of Balfour could revisit the "Glimpses of the Moon" and hear the outcries for the restoration of stabilized silver to the world, his ghost would quickly fade away muttering, "What fools these mortals be."

Sad to say the cowardice of politicians has had just as much to do with demoralizing the world's monetary machinery as the greed of plutocracy and the stupidity of so-called monetary experts.

The day is past for further soft-pedalling on this vital and fundamental issue. The question before democracy is, "Shall the world's currency be counterfeit and inflated or stabilized precious metals which neither war nor revolution nor the vicissitudes of time can alter or degrade?"

That, Mr. Speaker, is a very significant article, and the statements it contains have not, I believe, been so far contradicted in any paper I have read. I do not say that bimetallism would solve all our evils or ills. I do maintain, however, that with barriers of trade down, and freer trade between nations coupled with a symbol or unit of equality more on a par as between one nation and another, we would go a great way in developing and stimulating trade and raising the standard of civilization throughout the world.

One case in point arises, and that concerns China. China is one country where the unit of value is, I believe, a bowl of rice and where the money standard is silver. Although I am not going to attempt to give figures I shall outline a case in point. For many years we were selling cases of salmon to China. China having a silver standard, and we having a

gold standard, and not accepting silver money, I am in a position to draw this comparison. When silver was on a parity with gold every dollar the Chinaman had was equal to the dollar of ours. But to-day however when we sell a case of salmon worth, say, $4.75 or $5, the Chinaman has to give us practically four times that value in his money before we will accept it. Undoubtedly we cannot do business under those conditions. If business is to be on a mutual basis, then there must be a mutual basis either of silver or gold. If business is to be continued the symbol or unit of value has to be equal throughout the various countries of the world, or very nearly so.

I have listened with a great deal of attention to the Minister of Trade and Commerce who spoke a few evenings ago concerning interest, and who was very careful to put the figures at ten per cent. He said neither industry nor agriculture could survive or prosper with that interest rate. Why did he not say six per cent? With our declining wages I believe we will never get out of our present difficulties if the rate of interest on government securities, either municipal or provincial, continues at six per cent, coupled with decreasing wages. I have one little criticism of the government. It was bad enough to take ten per cent off the smaller salaries, but I hope the government will not go any further. They have given the lead in regard to wage reductions and I hope they will not begin to increase the hours of labour. Only to-day I received a telegram from postal workers who are alarmed because of the notice which has been issued stating that they will be called upon to work overtime and longer hours without further recompense. I hope this government will not be a party to a policy of lower wages and longer hours. As one coming from the industrial field I know the great fight waged in past years to bring about the eight-hour day and increase the standard of living. I trust this government will not be a party to cutting wages and increasing hours of labour, especially at a time such as the present, and after so many years of endeavour on the part of workers to bring about better working conditions.

I should like to have seen the government go a little further in connection with the income tax. We are always being told about activities in the United States, and we have been told that in that country the income tax is much lower. In the old country the income tax is almost twice the tax in this country, but from reports we learn that it is paid cheerfully. I should like to have seen the government go after the larger incomes, because although I will not say greed is an inherent quality in all people yet it is in a great many. That greed has to be held within bounds, and to my mind proper taxation would be one way of bringing about the desired effect, and curbing greed to some extent. The words of the poet Burns: "Man's inhumanity to man makes countless thousands mourn" are more true to-day than when they were written, and the fact that the wealth of the world is in the hands of a few should be considered most seriously by the government in power.

Mr. J. LOUIS BARIBEAU (Champlain) (Translation): Mr. Speaker, it is perhaps bold on my part to participate in this debate. I am fully aware that I shall not be able to maintain the discussion on the high level where my hon. colleagues have placed it. Therefore, acknowledging my boldness I rely entirely on the proverbial indulgence of the house.

I deem it my duty, however, to congratulate the hon. Minister of Finance (Mr. Rhodes), on his splendid speech on the budget, so greatly welcome in all provinces of the dominion. The expenditure of the administration have been so distributed that each ratepayer contributes according to his means and the luxuries he can afford.

Mr. BARRETTE (Translation): Hear, hear!

Mr. BARIBEAU (Translation): May I, sir, quote the views of the leading business men of my district and province. Mr. W. G. E. Aird, manager of the Wabasso Cotton Company, states:

That the general opinion among financiers is that the budget is a moderate and reasonable one.

Mr. Bromley Smith, manager of the Canada Iron Foundries, has this to say:

I think we are still privileged in not having to contribute more, when we compare our position with that of other countries.

Mr. Beaudry Leman, general manager of the Banque Canadienne National, states:

The balancing of the budget is an essential condition of the financial stability of the state and the maintenance on satisfactory basis of the national credit.

Workmen and employers, wage earners and those with independent means: briefly, every body is interested that the finances of the Dominion government should be on a sound basis.

The only possible way to reach this end is that each person should contribute his reasonable quota.

On the other hand, the state must, under present circumstances, cut out useless expenditures and those which are in the luxury class.

Mr. Taggart Smyth, general manager of the Savings Bank, states:

The measures adopted are governed by the needs of the hour and seem best adapted to the present circumstances. Nobody is astonished and I think that the public will welcome them.

Mr. T. J. Tibbutt, president of the Tibbutt Shoe and Leather Co., has this to say:

It is the best budget we have had for a long time past and it is much less burdensome than the United States budget. Canada, however, is less affected than most of the other countries, by the present economic crisis.

Mr. Frank I. Ritchie, manager of the Wayagamack Pulp & Paper Co., states:

The present budget is fair and equitable.

I deem it also my duty to express my thanks to the people of Champlain who have honoured me with their trust by electing me to represent them in this house.

Mr. DENIS (Translation): It will be otherwise at the next election.

Mr. BARIBEAU (Translation): The constituency, sir, which I represent, besides bearing the name of the father of the whole country, which places it among the most venerable, owing to its seniority, is still one of the most important counties in old Quebec. Extending from the shores of the St. Lawrence river across the Laurentian mountains; to the west, bounded by the St. Maurice river which is the source of so much electric energy; and to the east, by the charming St. Ann's river, the county of Champlain maintains a population of 75,000 people, 99 per cent of whom are French Canadians; it comprises three towns of 10,000, 6,000 and 4,000 people respectively, and thirty rural parishes.

This means that I shall relieve the fears of the young men in making known to you the conditions prevailing in such an important section of the country. The house will derive some information which will allow it to judge better of the situation in Quebec, as well as the excellent results of the government's policy; as I intend to sound the optimistic note, notwithstanding what the hon. members opposite may think, for they have all become pessimists since the people of this country have so sadly left them in the lurch.

Let us examine what is the prevailing situation of industries in cities. Indeed, at Cap-de-la-Madeleine, as everywhere else, the economic depression weighs heavily on the good working classes. Two large pulp and paper industries, the Canada Power and Paper Co. and the Wayagamack are the source of the main activities of the workmen. The former closed its doors a few months ago, while the latter is still working but with a decreased output.

An hon. MEMBER (Translation): What a fine government!

Mr. BARIBEAU (Translation): Does this mean that work is completely stopped and that nothing was done to relieve unemployment? This is where I wish to congratulate the right hon. Prime Minister (Mr. Bennett) on the success of his policy as regards unemployment. At a time, sir, when the improvident policy of excessive industrialization inaugurated by the Taschereau government brought about, in the paper industry, the present crisis, the Dominion government, thanks to its wise policy to relieve unemployment, helped the heretofore prosperous working population of that town to ward off poverty—owing to the mills closing down—by undertaking public works and thus giving work to those whom a prolonged state of unemployment might have placed in dire circumstances.

Beside this pulp and paper industry, there is also a natural silk factory lately established in that town. The latter has already given marvellous results, and will further develop as the effects of the protective tariff are felt.

What I have just stated as regards Cap-de-la-Madeleine, may also apply to Grand'Mere, where there is located a branch of the Canada Power and Paper Co. Again there, while the mills were only working part time, the unemployment act gave great relief. There is also located in that town a very prosperous boot and shoe industry. In the town of St. Tite, is to be found a factory making leather goods, which also is doing well. These facts induce me to state that the situation is greatly improving and that the future is very promising. That is why the working classes, believing in the intelligent efforts of the government are not dismayed, and close their ears to the fanciful theories of a diabolical communistic propaganda. For my part, I shall not cease asking the government's protection for the good working classes of Champlain.

The Three Rivers district, one of the largest producing centres of paper and pulp in the world, is undergoing a severe crisis; and I would suggest to our distinguished representatives, at the Imperial conference, to continue their efforts with the British Government so as to obtain for Canadian pulp and paper a special preference. If our pulp and newsprint were given a preference of 10 per cent,

it would greatly benefit this industry, as pulp and paper are amongst our great assets, they are, however, enjoying, at present, but a relative prosperity. A Canadian preference of ten per cent on pulp and paper exports would improve the lot of the numerous workmen engaged in that industry.

May I, sir, read a resolution to that effect adopted by municipal council of the town of Cap-de-la-Madeleine:

Canada, Province of Quebec,
Municipality of the town of Cap-de-la-Madeleine.

Resolution No. 4554.

At a regular meeting (special) of the council of the town of Cap-de-la-Madeleine, held in the ordinary place and chamber of the sessions of the council, at the City Hall, on Monday this twenty-ninth day of February, 1932, at 7 p.m.

At which meeting were present: His worship the mayor, J. A. Nadeau, Messrs. the councillors: Ernest Arseneau, Ernest Houle, Henri Thiffault, Armand Lemire and François Courteau, constituting a quorum under the chairmanship of the mayor.

Moved by councillor Ernest Houle, seconded by councillor Ernest Arseneau,

Resolved, whereas the pulp and paper industry is in a precarious state in our province and throughout the country.

Whereas in July next an Imperial Economic Conference will be held at Ottawa to discuss an economic scheme of mutual preference for the British Empire.

Whereas the National government in England has adopted a protective tariff policy and that this same government is committed to a policy of preference on products of the nations which comprise the British Empire, until and in provision of the mutual and reciprocal results which this economic conference will foster.

Whereas the Canadian government is in favour of a mutual preference policy within the empire.

Whereas England purchases millions of dollars worth of pulp and paper, yearly.

Be it resolved that the council of the town of Cap-de-la-Madeleine takes the liberty of suggesting that the Dominion government continue its endeavours with the Imperial governmen in order that a more substantial preference be granted to the Canadian pulp and news print.

That the clerk be requested to forward a copy of the present resolution to the hon. Henry Stevens, Minister of Trade and Commerce, to Mr. J. L. Baribeau, M.P., for Champlain and to Mr. Charles Bourgeois, M.P., for Three Rivers-St. Maurice, praying them to give it their attention and support.

Carried unanimously.

Certified copy.

Raoul Rocheleau,
Clerk.

I have just drawn a rapid sketch of the workman's condition in the county which I am privileged to represent. Allow me now to introduce to you the finest rural people in Canada.

[Mr. Baribeau.]

Mr. DUBOIS (Translation): Hear, hear!

Mr. BARIBEAU (Translation): This statement may appear contrary to the general belief, but it is a fact, since everywhere, in the new parishes as well as in the older ones, agriculture maintains the place where the Creator wished it to be and constitutes a great nucleus of high moral ideals and physical welfare. Come to our country side along the shores of the St. Lawrence river, visit the inland parishes, penetrate even into the back sections, victorious of the forest, and the same vista will meet your eyes searching for the charms of landscapes, and the same happy life will fill your patriotic heart with joy.

What is meant here is that our compatriots are at work; as always, they are part of the land, they love it and toil over it. They do not farm for the time being, satisfied with what each year brings, like those lacking foresight, neither with the simplicity of certain farmers who, believing that the resources of a wheat farm are inexhaustible, live at a rate that only a gold mine could permit, but they farm wisely and scientifically like heads of industries, in view of a permanent success. Let economic crises then come, let meagre returns be obtained, they are inured to the hardships and can await normal times without crying famine nor face ruin and death.

This does not signify that everything runs smoothly. Unfortunately, in Champlain, as in other counties, farmers have deserted the farm for the city, in a race for prize money, which manufacturers offer in the shape of high wages. Furthermore, yet sad to state, quite a number of our farmers having purchased properties at too high a price, are today unable to meet their liabilities. The returns of their farm products are too small...

Mr. DUBOIS (Translation): Hear, hear!

Mr. BARIBEAU (Translation): . . . but they know that such prices prevail everywhere; municipal taxes are high, as well as school taxes.

Mr. BOUCHARD (Translation): Not everywhere.

Mr. BARIBEAU (Translation): Our farmers have heavy burdens to bear, and if the former government succeeded in reducing the national debt as stated by the hon. member for Sherbrooke (Mr. Howard), it was perhaps, at the expense of our farming classes, for we note that the farmers are those who suffer the most in the present crisis, that their properties are mortgaged, that they have had to resort to promissory notes and contracted obligations which date back to the former régime.

Mr. DUBOIS (Translation): Things are not running smoothly in our country.

Mr. BARIBEAU (Translation): The farmers realized this situation and proved it eloquently on July 28, 1930. Do they now regret having acted so energetically against their oppressors? They certainly do not regret the New Zealand treaty, nor the generosities of the former government towards the United States, nor the former tariff which afforded very little protection and was the cause of their distress. Now, under the impulse of the new policy, equilibrium will be restored, thus dissipating the nerve wrecking nightmares of a year of depression. I made the suggestion, a few moments ago, to those who will represent us at the Imperial conference which is being held in Ottawa—a great honour for Canada—to do everything possible in order to obtain a preference on newsprint and pulp so as to help our working classes. I shall further add that such a preference would tend besides to aid numerous farmers, for most of them are owners of woodlots, and the sale of their wood would allow them to realize appreciable profits. We must protect our industries, and farming, being the main industry of this country, deserves the greatest protection.

Mr. DUBOIS (Translation): Hear! hear!

Mr. BARIBEAU (Translation): When the purchasing power of farmers is high, all classes of society benefit.

Mr. DUBOIS (Translation): Hear! hear!

Mr. BARIBEAU (Translation): Our hon. colleagues in the opposition state that there are more unemployed this year in Canada than last year, but they forget to add that this crisis is world wide in extent. I shall content myself with inserting in Hansard the following figures, taken from the International Labour Review:

	1930	1931	Per cent
Germany	4,300,000	5,600,000	30
Australia	104,000	118,000	13
Austria	294,845	329,627	12
Denmark	74,000	91,000	23
Great Britain	1,853,000	2,262,000	22
United States	5,526,000	7,770,000	39
France	22,879	117,294	5
Italy	642,169	982,321	53

I am pleased to submit to the house a list of the undertakings in connection with the unemployment and Farm Relief Act, 1931, in the county of Champlain and the advantages offered by our governments to the municipalities:

	Mun.	Prov.	Dom.	Dominion Proportion
Almaville	20%	40%	40%	$ 3,600
Cap-de-la-Madeleine	10%	45%	45%	34,605
Notre-Dame-de-la-Présentation	10%	45%	45%	$ 540
Parent	....	60%	40%	2,600
Saint-Jacques-des-Piles	20%	40%	40%	2,200
Saint-Louis-de-France	20%	40%	40%	1,400
Saint-Roch-de-la-Mékinac	10%	45%	45%	1,575
Sainte-Thècle	30%	35%	35%	1,050
Saint-Théophile-du-Lac	20%	40%	40%	1,400
Saint-Tite	20%	40%	40%	2,000
Canton Bourgeois Mailhiot	....	50%	50%	2,500
Canton Langelier	....	50%	50%	3,000
Saint-Georges	20%	40%	40%	2,600
Sainte-Geneviève de Batiscan—Department of Public Works	....	....	....	8,000
				$123,070

Mr. BARRETTE (Translation): Hear, hear!

Mr. BARIBEAU (Translation): Grand'-Mère $160,000 30 per cent, 35 per cent, 35 per cent, $56,000.

Mr. BOUCHARD (Translation): It is a sign of prosperity.

Mr. BARRETTE (Translation): It is a sign that they have an energetic member.

Mr. DUBOIS (Translation): How much did the workmen draw out of that amount?

Mr. BARIBEAU (Translation): I shall point out to the hon. member for Nicolet (Mr. Dubois) when this sum of money is divided by the number of hours during which the workmen laboured, the result is $10 per hour...

Mr. BOUCHARD (Translation): Per day.

Mr. BARIBEAU (Translation): ...per day, it does not strike him that for all the work performed by the Dominion government, the wood was cut by our farmers, we had the stone drawn, our blacksmiths were given work, we also found work for all those who had a trade in each locality, and the amounts thus disbursed do not appear under the item "hours", however these payments helped numerous workmen.

Almaville	$ 9,000
Cap-de-la-Madeleine	86,000
Notre-Dame-de-la-Présentation	1,200
Parent	6,500
Saint-Jacques-des-Piles	5,500
Saint-Louis-de-France	3,500
Saint-Roch-de-la-Mékinac	3,500
Sainte-Thècle	3,000
Saint-Théophile-du-Lac	3,500
Saint-Tite	5,000
Canton Bourgeois Mailhiot	5,000
Canton Langelier	6,000
Saint-Georges	6,500
Sainte-Geneviève de Batiscan—Department of Public Works	....
	$296,100

Mr. BARRETTE (Translation): Hear, hear!

Mr. DUBOIS (Translation): This does not acquaint us with the amount received by the workmen.

Mr. BARIBEAU (Translation): I proceed.

Mr. BARRETTE (Translation): There are no more unemployed.

Mr. BOUCHARD (Translation): The country is ruined.

Mr. LAFLECHE (Translation): That is your work.

Mr. BARIBEAU (Translation): There is another class of people to which I want to draw the attention of the house, the navigators many of whom reside in my county. We have a number of associations of navigators, among these a branch of the National Association of Marine Engineers of Canada, also numerous pilot associations. May I therefore make a few suggestions to the hon. Minister of Marine (Mr. Duranleau) who, I feel certain, will lend a kind ear to my remarks. I think the government should interest itself especially in the young men who wish to become pilots. No government, up to now, have taken any interest in these young men and yet this profession is a necessary one, even indispensable. These apprentices are destined to replace the pilots as the latter disappear. Most of them are obliged to make great sacrifices to become pilots. A large number belong to families that are poor, as those who have means are not attracted to the hardy life of a sailor which they must undergo to reach their goal. These apprentices find it practically impossible to earn anything in other trades.

They are, on the contrary, obliged to make an outlay of almost $200, each season to complete their apprenticeship. Generally their parents are not in a position to help them, so that you can easily realize their sad lot. According to regulations laid down, these young men have to undergo an apprenticeship of 5 or 6 years before obtaining their officer's certificate. This consists in travelling on ships to and fro between Quebec and Father Point, and between Quebec and Montreal. They must have to their credit at least 50 trips during each season. They are therefore kept busy during the whole season. During that time they receive no salary; on the contrary they must pay their board and travelling expenses, except when on service on the ships. When the trips stipulated by the regulations are over, the season of navigation closes, they have not the opportunity of serving on vessels crossing the ocean. They are idle all winter. Those whose families have certain means are less to be pitied, however, most of them are in straitened circumstances. I think it is the duty of the government and especially that of our worthy Minister of Marine to help these young men. Why should they not be given the preference in working on the government's ice breakers in winter? While thus helping these young men, the latter could complete their naval instructions and become familiar with the difficulties of winter navigation. There is a tendency to further prolong the navigation season, this almost makes it necessary for pilots to have a better knowledge of the difficulties of winter navigation. Where is there a more appropriate school for our future pilots than that of passing a few winters on our ice breakers? They would certainly discover hidden difficulties that perhaps they would never find out during the summer months.

Previous to closing my remarks, sir, I must inform the house that I had the honour of being invited to call on His Excellency, the Governor General, Lord Bessborough—

Mr. DUBOIS (Translation): We also.

Mr. BARIBEAU (Translation): —and I would consider it amiss if I did not thank, in the house, the representative in Canada of His Majesty, the King, both on behalf of my fellow-citizens in Champlain and mine, for the cordial reception I received. I felt some pride in being welcomed by words spoken in the language of my forebears and, I think, I am giving expression to the French Canadians' feelings, in quoting, in this respect, a letter addressed to His Excellency, the Governor General by the President of "L'Institut Canadien-français d'Ottawa":

To His Excellency, the Earl of Bessborough,
Governor General of Canada,
Rideau Hall, Ottawa, Ont.
Excellency,—

The Institut canadien-français of Ottawa, the oldest French society in Ontario, founded in 1852 and incorporated by an act of parliament in 1865, having since its foundation, been the purest expression of French self-respect and determination, in Ottawa, is pleased to express to Your Excellency, the deepest feelings of gratitude and heartfelt thanks for the wise counsels that you had the kindness and courtesy of extending to the Canadian people, since your arrival in Canada, on the importance of learning the French language.

To those sentiments we add the testimonial of our proverbial loyalty to the British Crown.

Your Excellency possibly does not realize to what extent the interest you take in the French language is appreciated by the French Canadian population.

I beg of Your Excellency to accept, as a source of information, a copy of the constitution and rules of our society. You may thus judge for yourself what is our aim and what are our means of action.

On behalf of all the members of the Institute and on behalf of all my compatriots, Your Excellency, will allow me to express to you again our sincere and cordial thanks.

I have the honour to be, sir,

Your obedient and faithful servant,

H. Beaulieu.
President.

Allow me also to congratulate, perhaps somewhat late, the hon. member for Toronto Northeast (Mr. Baker) for the splendid speech he delivered in the French language, in the house, last year. So long as the two great races of this country will understand and admire one another, we may depend on them to elect legislators who will realize what are the best interests of Canada, and I believe that the harmonious cooperation of these two great races constitute one of the surest guarantees of the respect of the constitution and one of the most powerful factors to solve our national problems, whatever they may be.

Mr. H. E. SPENCER (Battle River): In rising to take part in this debate, Mr. Speaker, I wish to congratulate the hon. Minister of Finance (Mr. Rhodes) on the very able way in which he presented his first budget. We have, however, to condole with him on having to present a budget in this time of crisis, for it could not be a pleasant task. I desire also to congratulate him on paying the courtesy to this house of remaining in his seat while the debate is in progress. It is a courtesy which we very much appreciate, as we have not received it from some of his predecessors in office.

The budget contains figures that cannot be very pleasant reading for the people of Canada. For instance, our exports and imports are much lower than they have been for several years. Our expenditures and revenues are down. As far as our reduced exports and imports are concerned, we can expect nothing else, for the policy of the government—carried out, I know, in good faith—could have had no other result even in good times. The government have been putting into effect the policy on which the Conservative party were returned to power, and they have done their level best to interfere with trade, to stop imports wherever they could—with the natural result of checking exports. One pays for the other; and if we stop goods coming in, we are bound to affect adversely the selling of our goods in the markets of the world. This year unfortunately we have a deficit of about $119,505,000. We might have had a deficit under any circumstances, but the situation has been aggravated by the trade policy of the powers that be. For instance, the revenue from customs this year is about $77,000,000 less than it was two years ago. Admitting that we are passing through a depression, the customs revenue would not have been as low as this had we encouraged trade with other countries. The interest on the national debt this coming year is estimated at $121,163,000. I am glad to see that this is a little less than it was a year ago, brought about no doubt through the refunding of large blocks of bonds last year.

Reference is made in the budget to the $11,000,000 paid out in respect of the wheat bonus. Canada did not lose by taking this course. Never in the history of the western provinces was that amount more needed than it was a year ago, and every cent has gone into the circle of trade. If the amount had been even greater I feel the dominion generally would have benefited considerably, and I am sorry that the budget contains no announcement as to a continuation of the bonus.

I regret the Minister of Finance has found it necessary to impose a lot of nuisance taxes —stamp taxes, taxes on telegrams, long distance telephones, and so on. These taxes have a detrimental effect on business, and I should be glad to have seen the Finance minister get his additional revenue through a more steeply graded income tax rather than by this means. Those of us who from time to time happen to come under the income tax legislation would, I am sure, have been only too pleased to pay the additional taxation in that form rather than in the form of these vexatious nuisance taxes.

I was glad to notice that the action taken by the government a year ago in guaranteeing the bankers against loss on their advances to the wheat pool, has not involved the country in any liability. I hope the newspapers that at one time so loudly proclaimed the large amounts that the government would have to make good on this guarantee, will please note that their doleful foreboding were quite uncalled for.

Reference is made in the budget to the Canadian farm loan board. Of all the legislation that has been passed in the house with the idea of benefiting agriculture, I think the Farm Loan Act has been the greatest disappointment. When it was going through the house we hoped it would be of real help to agriculture, particularly at such times as these when the farmers are in great need of having some means of carrying them through for a few years until the situation improves. I find, according to a return given to me some time ago, no less than 14,432 applications have been made under this act for loans.

Of those, however, only 4,119 loans were granted, the total sum lent amounting to $7,500,000, and the cost of administering the act being $338,788. These figures are up to December 31, 1931. First of all, they prove that there is a great need in Canada of more loans to help the farmers carry on and, second, it seems to me it must be on account of the very low value of farm property that the board has seen fit to grant only a little over 4,000 loans as against about 14,500 applications. When one realizes that in Saskatchewan alone, according to some figures given me last year, $216,000,000 was taken out in farm mortgages, the farm loan board has had very little effect when it has advanced only $7,500,000 in the whole of the dominion.

This year the Dominion government has considered that the most important thing it has to do is to balance its budget. There are more important problems than that to-day. If you are going to balance your budget at the cost of the people of the country by taxing them heavily and by cutting down public expenses when we need more purchasing power instead of less, then it is not a good thing to balance the budget. We would have been ahead if we had for the time being added to the national debt the amount by which we were short or issued currency directly to meet the deficit, collecting, through taxation in better times, enough to make up the difference. To increase taxation at this time and to cut down salaries and wages in the civil service, an action which naturally has been followed throughout the dominion in commercial life, will have the effect only of cutting down purchasing power all along the line, and next year we are likely to be in a worse position than we are now. In support of my suggestion that it would have been better not to balance the budget this year but to add the deficit to our national debt, I should like to quote from Mr. D. M. Garvin, economist of the Royal bank, who made this statement when he was speaking to the Canadian Club at Toronto, on February 22, 1932:

> The first influence of an unbalanced budget may be to injure confidence to such an extent as to destroy part of the outstanding volume of credit, but sooner or later the borrowing to make up these deficits must tend towards producing the larger volume of credit necessary for expansion.

I wish to congratulate the government on the change which they have made in the income tax, and which was much overdue. I regretted to see the government of the day in 1927 and 1928 reduce the income tax by ten per cent. If it had not been reduced; if even it had been increased at that time, we would be in a position now to make the tax less on smaller incomes. I am sorry, however, while on the one hand the government have seen fit to cut down wages and public expenditures, on the other they have deemed it wise to pay higher rates on borrowed money. I should like to quote from an editorial in the Vancouver Sun a few words which express very well my thoughts in this respect. It reads:

> If it is right for the government of Canada to reduce the wages of civil servants ten per cent, is it not right that the wages of money should also be reduced?
>
> What right has any government to protect a dollar rather than a man?
>
> What right has Canada to protect and actually increase the interest rate on her five billions of federal and provincial debts, and at the same time decrease the earning power of a man?
>
> What right has North America to make a fetish of past performance and at the same time refuse to protect present employed and find work for North America's seven million unemployed? Real industry and labour are working together to get conditions back to normal. Should capital be allowed to hold itself aloof?

The present government came into power with two main promises: first, to raise the tariff and, second, to cure unemployment. We have to give them credit for carrying out the first. They raised the tariff on over four hundred different schedules. We all know, however, this has not been a cure. As regards curing unemployment, it has been a hopeless failure. The public, in regard to the raising of the tariff, is to be blamed, first of all, for putting the government into power with a promise to increase tariffs and, second, for expecting that that would solve the problem. A high tariff, when all is said and done, is no protection. Surely we are beginning to realize that an opposition next door to a factory is much keener than when it is on the other side of the international boundary or across the ocean. When under a prohibitive tariff factories are forced into this or any other country, the new factories must be keener competitors of the older ones that have already been established. If we have brought into this country one hundred new factories, as I believe we have, then those that were already here must be suffering in consequence, because during the last two years, not more, but less money has been put into circulation. This can easily be discovered by following the bank statements. If there is less money to be spent and more goods are being made; if the newer factories are getting the business, then this must be at the expense of some of the older ones.

I believe I am safe in saying that to-day our unemployed in Canada number over five hundred thousand. The government having failed, first, in its trade policy and, second, in its unemployment policy, it is trying the third method, and that is, to practise drastic economy. But while drastic economy may be all right for the individual, it is very bad for us collectively, and if anybody can afford to spend at this time it should be the government because it has all the credit of the nation at its back. While we have some five hundred thousand unemployed largely in the cities, it is well to remember that on the farms of Canada we have nearly half our population very much over-employed and very much under-paid. To follow out its policy of drastic economy the government has reduced its estimates by $55,000,000 and increased taxation to an equal amount. This, in my opinion, is bound to fail, and when we come back here a year hence I quite expect to see a deficit in the next budget. I say this regretfully.

I take this opportunity of directing the attention of the house to the railway situation in the south end of my constituency. Between the two points of Bulwark and Airways there has been great need of a railway for many years. The last time the Canadian National program was put before the house it was agreed to build a line between these two points to meet the great need of the large farming community in that area. A year ago, after some delay, the grade was built. There was time, I may say, to put the rails on, and had they been put on there would have been opportunity to haul from that country an enormous amount of grain which to-day has to be hauled a very considerable distance to other railways. For reasons best known to the railway management, when the grade was made and everything was ready for the rails, no rails were placed thereon. It has not only been a great disappointment to the country itself, but it must be an entire loss to the railways, because they have gone to half the expense and can receive no revenue. They cannot receive any revenue until the rails are laid. When the question is asked why the rails have not been laid, the answer is simply that the railways have not the money. What would be thought of a farmer who built half a house and then, when asked why he did not go on with it, replied that he had not the money? The first thing people would ask him would be, "Why didn't you think of that before you began to build the house?" We might ask the same question with regard to this railway. Only twenty-five miles of steel is needed to give service to 800 square miles, but the people are left with this white elephant and while waiting patiently for the rails to be laid they have to haul their produce a great distance, as they have been doing for a number of years.

Reference was made in the budget to the Imperial conference which will take place in Ottawa next July, and great hopes have been expressed that something worth while will be done. I sincerely hope, for the sake of Canada, that something will be done for the benefit not only of this country but of the empire at large, but I want to warn those who are feeling too optimistic about it that there are going to be great difficulties. For instance, they are going to talk a great deal about empire trade. Now, looking up the figures with regard to British trade, I find at page 498 of the Trade and Commerce Journal that in 1931 British import trade outside the empire was 71·2, while exports were 56·2 to outside countries, showing that they are doing the greater part of their trade outside the empire. According to the figures given to us by the Minister of Finance, the major portion of the trade of Canada is also done outside the empire. Naturally, therefore, the delegates from the various parts of the empire who will come here looking for benefits, will find that they are facing considerable difficulties in the matter of trade. As regards the wheat quota, the offer from Great Britain will not help Canada in the slightest, so far as I can see, because Britain cannot take the whole of Canada's crop, yet she will pay for Canadian wheat on a basis of world price, and we shall have to sell the rest in other markets, with the result that we shall have to meet competition just as keen as we are meeting to-day.

Of all industries that are suffering in this deflation, there is none that is suffering more than agriculture, because, in the ups and downs of price levels, whether it be inflation or deflation, agriculture is the last one able to take advantage of the rise and the first one to suffer from the drop. The deflation that was brought on in 1930 and 1931 had the effect of halving, and more than halving the values of farm prices. This, in turn, had the effect of doubling debts; and when you consider that most of the larger farm debts were incurred during the war, that since that time these debts have about doubled, and that the farmers have paid in interest rates an amount equal to the debts—because, at the interest rates the farmer pays, in ten to fourteen years he pays as much in interest as his total debt—you can readily understand why agriculture is in difficulties at the present time. We must

realize that agriculture is the basic industry of Canada. There are other very important industries, but that is the basic one, and the general business of Canada is not improving and cannot improve to any extent at all until agriculture is again on its feet.

I will put on record now a few figures taken from a government publication to show the difference between the prices of agricultural commodities and freight rates. When wheat was worth $1.25 per bushel, the freight rate was 5½ per cent, and when wheat dropped to 60 cents, the freight rate was 12 per cent. When potatoes were $1 per sack, the freight rate was 10 per cent, and when potatoes were 40 cents per bushel, the freight rate was 24¾ per cent. When hogs were $11 per hundred, the freight rate was 1½ per cent, and when the price dropped to $5 the freight rate had jumped to 3½ per cent. When eggs were 40 cents a dozen, the freight rate was 1½ per cent, and when the price was 20 cents, the freight rate had increased to 2¾ per cent. I may point out here that these prices are a good deal higher than we are getting to-day. For instance, wheat is lower than 60 cents and the price of hogs has dropped as low as $2.40, while eggs have dropped to 8 cents a dozen. I might say that during last December and January, turkeys—an item which does not appear here—sold in western Canada for less than one dollar each.

There are no financial institutions in Canada which can properly give the aid required by agriculture. The private banks are not giving the service needed. I shall not deal with this matter at any length because I have dealt with it before, but I do contend that interest rates are far too high, terms of loans far too short and renewals far too uncertain. Agriculture finds itself to-day in a very difficult position, so difficult that if something is not done a still larger number of people will be driven from the farms, where they cannot make a living, to the cities, there to join the ranks of the unemployed. I am told that 85 per cent of the farmers of Saskatchewan would be bankrupt were it not for the generosity of their creditors, and I believe the farmers of Alberta and Manitoba would be running them a close second.

I appreciate the fact that the Minister of Finance (Mr. Rhodes) did not see fit to increase the tariff on repairs to farm implements, although the increase of the excise from one to three per cent has the direct effect of a tariff. To-day the tariff on repairs ranges from 6 to 17½ per cent, and to that duty will have to be added the 3 per cent for the so-called excise tax. I am sorry the sales tax has been increased from 4 to 6 per cent, because it is a consumer's tax and will fall upon the family man.

It is claimed that if the western farmer would only go into mixed farming, all would be well, but this statement is made only by those hon. members who know very little about the matter. I have before me a statement giving the percentages of the different mixed commodities raised on farms in eastern and western Canada. The quantity of cattle on farms in eastern Canada is given as 10·65 per farmer, while for western Canada it is 13·62. The figures for hogs are 4·44 for eastern Canada, and 5·85 for western Canada. The production of butter in eastern Canada is 345 pounds per farm, while that for western Canada is 355 pounds per farm. The egg production for eastern Canada is 291 as against 345 for western Canada. These figures should be an answer to those who say that if western farmers would go into mixed farming, all would be well. I know that those who are carrying on mixed farming in eastern Canada do not want the western farmer to enter that line of farming to any greater extent because he proves to be a keen competitor, but the fact remains that at this time there is no money to be made in farming of any kind, mixed or otherwise. At the present time, farming is not a business; it is a pastime, and the land is a liability.

I should like to say a few words in connection with the debt situation. Canada, like all other countries, is facing a serious problem in connection with debts. We must recognize the fact that we are carrying on a debt-creating system. A debt carrying 5 per cent simple interest doubles itself in twenty years, and at the rate which agriculture has to pay, the debt is doubled in about half that time. When this house realizes, as it must realize, that interest in the aggregate can never be paid, then we shall realize why debts accumulate to such a degree. These debts are necessarily increased very rapidly during a change from inflation to deflation, such as we have passed through during the last few years. According to figures furnished by the Bureau of Statistics, the interest-bearing debts of this country amount to no less than over nine billion dollars and this figure does not take into consideration the mortgages on farms or urban property, which some people estimate would bring the total to over seventeen billion dollars. I shall not go into the details of this larger amount; I am perfectly willing to base my argument on the other figure, which proves that Canada, with her small population, is faced with an enormous debt. How long can it continue?

We have not done the best we could for the internal and external trade of Canada. Because of the rash and foolish policy adopted with regard to Russia, orders have been refused which would have proven to be beneficial to many of our manufacturers, particularly the implement manufacturers. Hundreds of thousands of men might now be employed had we not taken what I consider to be a very foolish stand in connection with Russia. I should like to quote from the Vancouver Sun of July 18, 1932. After referring to the fact that the government had started back-door trading with Russia by admitting Russian furs into Canada, the article continues:

If Premier Bennett would think a little more of history and a little less of his own pride, he would realize that finally Canada will have to do business with Russia. Why not now?

In 1792 England implored world powers to have nothing to do with bloody revolutionary France. "France would wreck world thrones and imperil civilization," etc., etc. For twelve years the Pitts and others hurled against French revolutionists the identical language that, until the last few months, one heard against Russia. Finally, in 1804, British statesmen admitted that Britain's stand against France had been childish, and Britain's twelve years' loss of French trade was a blot against British diplomacy and common sense.

And again:

Standing on the floor of the British house of commons more than a century ago, Charles Fox said: "After twelve years of futile experience we are compelled to recognize the Republic of France which we refused to do business with twelve years ago." Only six years ago Mr. Asquith said: "England's experience with France in 1792-93 was a fearful mistake. Let us not repeat that mistake in regard to Russia."

Apparently Canada has seen fit to make that mistake, and no doubt we shall regret it in the years to come.

Canada is not a poor country, as sometimes I think the budget would lead us to believe. According to the Bureau of Statistics the national wealth of Canada amounts to nearly $31,000,000,000. When we realize that in this country we have goods in abundance, that we have everything that man needs or wants, that our greatest trouble to-day is not to produce goods but to get rid of those that we have produced, surely we must see that a cog has slipped somewhere. When we are living in an age of plenty, in a country with surpluses in everything except the budget, surely we should find ways and means of seeing how these goods and services that we possess can be distributed among the people. Purchasing power is needed, and needed in greater amounts, to enable the goods that we have produced in abundance to be transferred to those who want them. The difficulty apparently is in our monetary system. If our monetary system as it is to-day does not work, and we know that it does not, surely it is not beyond the capabilities of mankind or of Canadians to find ways and means to make it work. That system is man-made, and if it has not been made properly it surely can be man-mended. To-day man is a slave to an incomplete invention. I was much interested in reading the other day a letter by W. F. C. Devlin, printed in the Ottawa Journal of April 15. In the course of that letter on the monetary situation the writer says:

Our country is loaded with the physical necessities of life, but we find the circulation of our means of exchange slowed down or withdrawn, so that we cannot freely exchange our goods and services with each other.

Never before were we so physically healthy, yet, on account of our "book-keeping" having gone out of kilter, we are allowing ourselves to believe that we are sick. Our difficulties are therefore of "book-keeping"—not of physical fact. We are allowing our "book-keeping" to control us—instead of we it. There is a strongly growing feeling that the present state of affairs is not only unsatisfactory but unnecessary, and it is high time we set about controlling conditions instead of letting conditions control us.

Mr. SPEAKER: The hon. member has spoken forty minutes.

Mr. SPENCER: In conclusion, if I may be permitted, Mr. Chairman, I am entirely in sympathy and in full accord with the sub-amendment which has been moved by the hon. member for Acadia (Mr. Gardiner).

Mr. ELIE O. BERTRAND (Prescott) (Translation): Mr. Speaker, in rising in this house to speak on the budget and its amendments, it is certainly fitting to congratulate the hon. Minister of Finance (Mr. Rhodes) on the delivery of his well prepared speech. Before indulging in too many compliments, it is well to go over and seriously consider the various matters pertaining to the budget, and while the preparation and delivery of the speech might be worthy of praise, that is as far as we should go.

The hon. member for Shelburne-Yarmouth (Mr. Ralston), in reviewing the budget, analyzed and criticized each one of its various features, and in every instance, he proved that far from making for the welfare and prosperity of this country, this budget was conducive to stagnation and a more acute depression. Later on, the hon. member for Acadia (Mr. Gardiner) moved an amendment. I do not quite see how the hon. member for Acadia could explain to this house and to the country what he means, for instance, by stabilized currency. We actually believe that there is no stabilized currency in Canada any more than in any other part of

the world. However, that is one of the remedies which he has to offer to solve our problems and to get over our present difficulties.

Before dealing with the matters to which I desire to call the attention of the house in the course of this debate, I wish to refer to some of the speeches from hon. members opposite. They have read numerous letters to show how their constituencies had benefited by the tariff, as revised since the coming into power of the Conservative party, that is at the special session of 1930 and the session of 1931. The hon. member for Stormont (Mr. Shaver) told us to what extent Cornwall had become prosperous, thanks to its silk industry. The hon. member for Shefford (Mr. Tétreault), read several letters, and endeavoured to show how prosperous his county was; he even said: "There are no unemployed in my constituency that we know of." The hon. member for Pontiac (Mr. Belec) told us of the prosperity obtaining in certain parts of his county and many other hon. members opposite attempted to show all the benefits derived from the tariff and asked the members from this side to give them credit for all the good things that the Conservative policy had afforded the people and the country since their party is in office. What impressed me most in their speeches, was the statement that they would not have fulfilled their duty had they not spoken of the condition of the farmers. Agriculture being stagnant, we were wondering what arguments they could put forth in that regard. They claimed that if farm products could not be disposed of, it was due to world conditions; that, of course, we have to compete with world prices, that the other countries are actually suffering from the depression which is particularly detrimental to this class of the community, and, therefore, they were not to blame.

On each occasion, however, they read letters asserting that the tariff had helped some particular industry or increased the profits of some individual. In each case, they said: "Do us at least the favour to acknowledge what we have done for the country." And then, they turn to the farmers, just as the hon. member for Shefford (Mr. Tétreault) did and said: "Do not blame us for the bad conditions obtaining in your districts, as we are not responsible for them." On the one side, they claim credit for what they have done, and, on the other, they do not want to take the blame for the uneasiness that might exist among the farmers.

It is a fact that a certain class of our population is still enjoying, at the present time, rather fat revenues, and that some individuals are more particularly benefited by the protection afforded in the tariff. This very protection, which favours certain industries and trades, is detrimental to other industries that are compelled to pay more for the products they have to buy from the favoured ones.

I regret, Mr. Speaker, to be obliged to make such a dismal picture of the condition of agriculture in Ontario. After what we have heard about the conditions in the west and the maritime provinces, it would seem that our position is not worse than elsewhere. If, as several hon. members have stated in this house, agriculture is the foundation upon which all our economic system is resting, the government should surely protect it and help it to survive.

In my constituency, the farming industry is not lagging in progress. We have fine herds which won the first prizes at the Toronto exhibition and also at international fairs. I would like to add just a few words about the growing of red clover. In Toronto, at the seed exhibition held in November, the county of Prescott got seven prizes out of the first ten. In Ottawa, during the same month we were awarded seven prizes out of the first nine for red clover, and we had the great honour of winning the world championship at Chicago. The winner, on that occasion, was Mr. Remi Lamarche, of St-Isidore de Prescott, who had the best improved red clover seed in the whole world. Nevertheless, much to my regret, we must admit that farming in my county is not a paying proposition. And since we admit that fact, surely we must consider what the future might be and what will become of the farming community.

I would like to say a few words about the hay growing industry. Some might say that it is a thing of the past, but when I am through with my remarks, I think you will admit that you cannot change your farming methods as easily as you change clothes. Some years ago, we were growing hay in the eastern Ottawa valley. Many of our farmers have given it up for the raising of cattle and the dairy industry. However, to carry out the change, you have to erect new buildings and incur a large expenditure which the farmer is unable to bear. Consequently, the farmers who still get some hay out of part of their farm, have to sell it, at present, for $4 a ton. When you know that the cost of the pressing, the wire, the food for the men, the rent and the wear of the machinery, amounts to $2 a ton, you will realize that it leaves only $2 to the farmer. Let us consider the awkward position in which our farmers are now. Last

year, the crop averaged one ton per acre. Municipal and school taxes vary from $1.50 to $2 an acre, or an average of $1.75. Take off these different amounts, and you will see that 25 cents is all the revenue that the farmer gets out of one ton of hay. That shows without any doubt what are the conditions we have to face, and I think that the whole country should know it. You must also figure out how many years it would take to effect the change, in order, as I said a moment ago, to go into the cattle or dairy industry.

Let us see now what is the position of those who choose to go in the cattle raising. I have been preparing statistics on that subject since my arrival at Ottawa; consequently, they apply to the month of February. Allow me to tell you what were the prices of live stock delivered by the farmers on the Montreal market. These figures are taken from the price lists of the companies and jobbers who buy live stock on the market. Here are the prices for the week of February 15th: steers, grade one, $6; grade two, $4.50; grade three, $3; cows, grade one, $3; grade two, $2.50; cutters, $1.75; canners, $1; bulls, grade one, $3; medium grade, $2.25; lambs, $6; bucks, $4; sheep, grade one, $3; grade two, $2; lower grades, $1.

In each case, the price is quoted on a hundredweight for live stock on the hoof, and the commission of the seller as well as the freight must be deducted from the already low price that the farmer is receiving for his cattle. Hon. members who are familiar with farm products know that it is very hard to ship first class live stock in February, on account of the cattle having to remain indoors. Consequently, live stock sold in winter are nearly always of the second grade. Take pigs weighing from 150 to 225 pounds, that is selects which are being sold at $4.75 to $5; the second grade is worth only $3.25 per hundred. Deduct the freight and you will see that a farmer cannot raise pigs at that price. The same may be said of second grade cows which are being sold at $2.50 per 100 pounds. In our district when a cow weighs about 1,000 pounds, we consider that it is a nice cow. It would yield about $25 to the farmer, less the freight costs, the commission to the buying agent and then the commission on the sale in Montreal. That would leave an average of $18 or $20 per head for the best cattle that we have for sale.

I stated, a moment ago, that hon. members opposite, whenever mention is made of the condition of the farming industry, did not want their party to be blamed for it. They say: Give us all the credit for what we have accomplished with the tariff which helps a few privileged interests, but do not blame us for the farming situation! Let them read the statement issued by the leader of the Conservative party on July 15, 1930, in which he said:

> We pledge ourselves to promote and develop agriculture, the live stock industry and the dairy industry, that are presently so badly neglected.

Thus he spoke when the products which I have just mentioned were bringing more than double the present prices.

Here is another statement made by the right hon. Prime Minister during the last campaign, when, as leader of the Conservative party, he delivered a speech at Ormstown. He was reported by the Morning Citizen of June 30th, as follows:

> He said it was necessary for the farmers to receive for their efforts a remuneration equal to that which is afforded in other occupations. We must see to it that this profession be made as remunerative as any other.

And we hear hon. members opposite say: "Give us credit for helping the industries and the financiers to better their position; as to the farmer, do not speak about them."

He also said:

> We of the Conservative party pledge ourselves to see that farming becomes again as remunerative as in the past.

Have we not a right, Mr. Speaker, to tell the party in power to-day what we think of their achievements as regards the farming class and the results thereof?

In order to show more clearly to what extent the prices of farm products have fallen down, I shall compare the prices of the week of January 28, 1930, that is a few months before the Conservatives came into office, with those of the corresponding period in 1932, after eighteen months of Conservative administration. In 1930, cheese sold at 18 cents; in 1932, 10 cents; butter, 36 cents in 1930 and 17 cents in 1932; wheat, $1.20 a bushel in 1930, and 56 cents in 1932; oats, 55 cents in 1930 and 27 cents in 1932; steers, $9.50 per 100 lbs in 1930, and $5.75 in 1932; pigs $12.25 per 100 lbs in 1930, and $4.50 for selects, in 1932; sheep, $7 in 1930, and $3.50 in 1932; and I could keep on naming many other prices. The leaders of the Conservative party and those who supported the Conservative policy were then asserting that the 1930 prices were not in keeping with the needs of the farming class and that the farming industry had to be made as remunerative as in the past. They said: "We pledge ourselves to promote agriculture in order that our farmers may receive

a remuneration equal to that of other professions. What was the result? Prices fell by more than 50 per cent since 1930.

Mr. ROSS: Go ahead.

Mr. BERTRAND: I will surely go ahead, my friend.

In his budget speech, the hon. Minister of Finance, who, I think is very clever, mentions public debts, railway revenues, and taxes; but we find nothing in this budget concerning agriculture which might be of any future assistance to the farming class and the country as a whole. I hope that future budgets will contain measures beneficial to all classes of the community. The farmers, like any other class of people in this country, were expecting some relief from the budget of 1932; they were hoping for a few privileges to recover some measures of prosperity and to enable them to balance their own budget.

It is said that a broken morale may cause a lot of harm. Well, Mr. Speaker, I must say that the farmers have certainly lost confidence in their own profession, and they are wondering how to get out of the depression in which they are now.

Protection is in force since two years. During the last election there was no question of our country being affected by the world crisis. At that time, the people simply thought that the government should avert the crisis, in order that this country may not suffer from it. What changes have occurred since then and what is the attitude of hon. members opposite toward the farming class? That is where the tariff policy of the government is calling for criticism. They tried higher tariffs which did not protect the Canadian industries during this period of depression. They could not maintain the standard of wages, nor the standard of living in Canada.

They tend to deprive the treasury of revenues, thereby obliging the government to increase the burden of taxation by raising the income tax, sales tax and all kinds of annoying taxes, which contribute, the more and more, to restrict the purchasing power of Canadian consumers on the home market. The tariff has been raised unreasonably. They had faith in such a policy. They can no longer plead ignorance as to the result of high protection. They now realize that tariff is not the supreme remedy to all the ills. The experiment tried by this government has clearly shown the meagre success which high protection gives. The prices of farm products are now at a lower level than we have seen them for a great number of years past.

Mr. POULIOT (Translation): Shame! shame!

Mr. BERTRAND (Translation): To clearly show how the Canadian farmer stands, I shall quote the prices of the various farm products, for the past 20 years.

Top Closing Prices and Comparisons

—	Cheese Boards No. 1 Coloured	Cream Butter Solids	Eggs Extra	Ontario Wheat Mixed	Ontario Oats	Butcher Steers	Hogs	Choice Butcher Sheep	Spring Lamb Ewes
Jan. 28/32	cents	cents	cents	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
This week	10	17	17	0 56	0 27	5 75	‡4 50	3 50	7 00
1931	14¼	32	25	0 70	0 28	7 00	8 50	6 25	8 50
1930	.....	36	50	1 20	0 55	9 50	‡12 25	7 00	12 25
1929	.....	41	38	1 32	0 52	9 50	†11 75	7 00	14 50
1928	.....	37½	40	1 27	0 58	11 75	† 9 15	6 00	13 50
1927	.....	41½	48	1 28	0 50	7 50	11 50	6 50	12 25
1926	.....	45	46	1 40	0 43	7 50	13 85	8 00	14 00
1925	.....	32½	58	1 85	0 60	7 25	11 10	8 50	16 25
1924	.....	43½	42	1 00	0 43	6 75	7 75	8 00	14 75
1923	.....	41½	38	1 13	0 47	8 25	10 50	7 50	13 00
1922	.....	35	45	1 00	0 35	7 00	12 75	6 00	12 50
1921	.....	55½	65	1 70	0 45	10 50	15 25	7 00	12 00
1920	.....	65	70	Nom	1 02	14 75	19 25	12 50	20 00
1919	.....	51½	50	2 13	0 68	16 75	16 50	10 00	16 00
1918	.....	47	55	2 14	1 00	11 90	18 50	15 00	19 00
1917	.....	40	50	1 70	0 70	11 50	14 75	10 50	14 50
1916	.....	32½	31	1 15	0 49	8 29	10 45	8 75	12 00
1915	.....	31	30	1 60	0 70	8 25	8 30	6 50	9 35
1914	.....	29	34	0 93	0 41	8 50	9 65	7 00	9 50
1913	.....	29½	27	0 97	0 40	7 00	9 10	6 00	9 50
1912	.....	35	40	0 97	0 52	6 90	6 90	5 00	7 05

1923–6 Hog quotations are for thick smooths.

†Hog quotations are for selects weighed off cars. ‡Hog quotations for bacons, f.o.b.

As you can see, the 1912 prices were as much as 100 per cent higher than at present, and taxation 100 per cent less.

Allow me to inform the house, before it rises, of the various municipal and school taxes in Prescott, for a hundred acre farm: In 1901 the taxes amounted to $38; in 1914, $60; in 1930, $175; therefore an increase, from 1914 to 1930, of 300 per cent. The Dominion government, in 1901, levied $8.72 per capita; in 1914, $16.56; in 1930, $36.01; therefore an increase, from 1914 to 1930, of 120 per cent. The provincial tax amounted in 1901 to $1.85 per capita; in 1914, $4.49; in 1930, $17.50; therefore an increase, from 1914 to 1930, of 400 per cent. Such taxation greatly increases a farmer's overhead charges.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

BANKRUPTCY ACT AMENDMENT

PRESENTATION OF PETITION IN LOCALITY OF DEBTOR

Mr. MAURICE BRASSET (Gaspe) moved the second reading of Bill No. 36, to amend the Bankruptcy Act (Locality of a debtor).

He said: The purpose of this bill, Mr. Speaker, is to compel creditors in the province of Quebec to take bankruptcy proceedings in the district where the debtor resides. Last session a similar bill was withdrawn on the representation of the hon. Minister of Justice (Mr. Guthrie) that this year a general revision of the Bankruptcy Act would be undertaken, which revision would very likely cover this point, but I fail to see that anything has yet been done in this direction. Last session it was objected that such an amendment would make it more expensive for creditors, but on the contrary I think that the procedure proposed would be less expensive in the long run. At present debtors in outlying districts have to come to Montreal or Quebec when bankruptcy proceedings are taken against them, and in many cases the expense is very burdensome. I hope the bill will be given second reading.

Hon. HUGH GUTHRIE (Minister of Justice): Mr. Speaker, I have no objection to this bill being read a second time and referred to the special committee which is now considering the question of amendments to the Bankruptcy Act. The committee was appointed in connection with a general bill to amend that act, and this is one of the subjects under discussion before that committee. My advice to my hon. friend is that he lay his case before that committee, when I am sure it will receive the fullest consideration. In fact the matter is already under discussion in that committee. Therefore I suggest that the bill be read a second time and referred to the special committee.

Motion agreed to, bill read the second time and referred to the special committee considering the Bankruptcy Act.

Mr. SPEAKER: Business under the heading of private and public bills having been completed, the house will resume the adjourned debate on the motion of the Minister of Finance.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed consideration of the motion of Hon. E. N. Rhodes (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Ralston, and the proposed amendment to the amendment of Mr. Gardiner.

Mr. BERTRAND (Translation): Mr. Speaker, I shall continue the comparison which I was making previous to the house rising at 6 o'clock. In 1914, the Canadian farmer could purchase a six-foot mower for $43.50; in 1930, $96.50; a six-foot binder cost in 1914, $102; in 1930, $225.50; a six-foot hay loader, in 1914, sold for $60; in 1930, $122; a fifteen-disc sower, in 1914, cost $69; in 1930, $166. This is, therefore, an increase of 125 to 150 per cent between 1914 and 1930, on implements which are needed on the farm.

It is very difficult, under such circumstances, for the Canadian farmer to earn a livelihood, should conditions not improve, the farmer will be bankrupt; we wonder whether the government will come to the rescue.

The time, perhaps, is well chosen to offer a few suggestions, since our opponents contend that we only offer criticisms, which can have no good results. I am glad to point out to the house that I made very practical suggestions at the session of 1930; suggestions covering eight different features of the question and which had been studied by the Ontario Farm Association and accepted by a number of farm associations. I shall again suggest them to the house since they are still of actuality and should be taken under consideration by the government in the in-

terests of the farming class, in order to assist them in their distress.

I may quote a paragraph from the Department of Agriculture, to be found in the Economic Annalist of January, 1932, issued under the direction of the hon. Minister of Agriculture (Mr. Weir), and showing, in the following terms the failure of the activities of his department:

> We are thus faced with an economic situation in which probably about one-third of our population find that for every dollar of income which they received in 1929 from produce sold they are now getting only 58 cents, and that when they in turn enter the market as purchasers, the goods for which they paid $1 in 1929, far from being offered them at a price commensurate with their 58 per cent ability to pay, are selling at 90 cents. The result is that the farmer purchaser either declines to buy at all or buys less than two-thirds of his requirements. The retarding effect of this lowered purchasing power on general business is already too familiar to require further amplification.

In the foregoing you may see, condensed in few lines, what the conditions are at the present time in so far as the farmers are concerned. The most startling feature of it all is that such conditions are noted by the hon. Minister of Agriculture himself, for the statement I have just read is published under his authority in the January issue of a pamplet entitled The Economic Annalist. Such a statement is indeed quite astonishing since it points out the inability of that department to give assistance to the farming community at the present time.

The present level of prices for farm products, when compared with that of the year 1914, may be seen in the following trade index numbers: In 1914, 100.0; in 1929, 104.0; in 1930, 61.8, and in 1931, 53.0. This means that, at the present time, the farmer only receives 53 cents instead of the dollar he got for the same products in 1914. Therefore the conditions are worse that in 1914, and once more, we urge the government to come to the assistance of the Canadian farmers.

Our people, and particularly the farmers in Canada, are overburdened with debts and taxes of all kinds. A comparison between our public debt and our exporting trade shows how difficult it is for us to cope with the supreme folly of a Canada First policy, because of the tendency of high protection to restrain trade through higher rates of duty. A nation, as well as an individual farmer, gets into debt when the expenditures exceed the receipts, and debts thus incurred can only be paid through the sale of their products, the value of services rendered and of their trade. A farmer who should attempt to settle his own accounts with the bank in trading his butter for eggs would obtain no practical results; the same may be said of a nation that would attempt to pay its own foreign debts through the exchange of wheat from a certain section of the country for other commodities of the same country; such a method of paying national or commercial debts, is a sheer impossibility.

Where is Canada being led to by that policy of trade restraint with its consequent high tariff that prevents the marketing of our production? A policy of that kind is bound to lead us to almost complete disaster.

A few days ago I came upon a most interesting report in connection with the income tax. In 1927, there were 594 individuals whose income exceeded $50,000; in 1930 the number increased to 603; the number of incomes of between $25,000 and $30,000, which was of 403 in 1927, has grown to 674 in 1930; for the incomes of $35,000 to $50,000, the number which was 574 in 1927, had increased to 1,106 for the year 1930. These figures show that the big interests are enjoying constantly increasing incomes while the remainder of the people are suffering from the depression; it shows also that a protection policy has enabled that particular class of people to earn more money, to add to their incomes, at a time when the mass of the community, the farmers and the workers are in dire need and can not secure employment to earn their living; it means that, while the unemployed and the farmers are crushed under the weight of depression, a certain class of taxpayers are profiting thereby; it shows that our national wealth is far from being properly distributed among the various classes of our population.

Before concluding, I may say that the government might very well look into the real situation in every class of the community; ascertain as to where is centered the wealth which our national resources have enabled these people to accumulate; find out in whose hands such private fortunes are now being held and to levy on same, in order to try and help our population to weather the present crisis and to bring order out of chaos.

An hon. MEMBER (Translation): Hear, hear.

Mr. BERTRAND (Translation): As a result of the decrease in the buying power, unemployment has increased, and so have the hardships and sufferings of the people.

In the main, what are we to expect from the budget proposals? We are offered an increase in taxation to the extent of $55,000,000, and are led to anticipate a surplus of $4,300,000 at the end of the year. Such a statement is likely to create a false impression. No provision is made in the budget for any extraordinary expenditures which the government may be called upon to make; no provision for the relief of unemployment for which some 70 millions have been absorbed since 1930; no bonus for the western wheat, which has cost 11 millions this year; nothing in connection with the Canadian National the deficit of which reached 110 millions last year. Who is in a position to say that we shall not be called again, this year, to provide work or food for the unemployed? Who can say that the railways shall not require further assistance this year?

It is recognized by everybody that the government should, without any further delay, assist the farming class, and in concluding my remarks, I earnestly urge consideration for that particular class, whose welfare, may I say again, is essential to the economical reconstruction of our country, and it is the duty of the government to help agriculture, above all else, in order to preserve in its entirety the economic and financial structure of the country.

Hon. ARTHUR SAUVE (Postmaster General (Translation): Mr. Speaker, if I feel bound to add a few words to this debate, it is not because my remarks may be necessary for the vindication of the government, but merely because I wish to correct certain false representations made in connection with the present economic conditions and the policy of the government, as well as to reply to attacks launched in this house in terms both abusive and regrettable. I shall not use the same tone of language but the same language. I wish to apologize to the majority in this house if I do not express myself in a language with which they are more familiar.

Mr. BOULANGER (Translation): There is no apology to offer; we are entitled to speak French in this house.

Mr. SAUVE (Translation): It is also a matter of courtesy.

In the course of my twenty-five years of political life, I never once thought that abuse and excess of language could be seemly in a man of education or add anything worth while to the standing of a parliamentary debater indulging in the same against an opponent.

Before proceeding with my remarks, I should like to say to my hon. friend the member for Prescott (Mr. Bertrand) that my criticism is not levelled at him, for I congratulate him on the high plane of his speech as well as on the great effort he displayed in order to find fault with the government.

May I also extend my congratulations to my genial colleague whose first speech as Minister of Finance (Mr. Rhodes) was such a success.

I must at the same time congratulate my hon. friends from Shefford (Mr. Tétreault), from Kent (N.B.) (Mr. Arsenault), from Pontiac (Mr. Bélec), and from Champlain (Mr. Baribeau), from St. Ann (Mr. Sullivan), who, in their maiden speeches, have made a most interesting statement of the facts, thus showing their high sense of duty.

Two years will soon have elapsed since the leader of the Conservative party was elected and authorized to form a government empowered to apply their policy during the five-year term of the new parliament. That policy, which is one of adequate protection, he has been preaching for more than half a century. More than at any other time previously, that policy is called for, since all the other nations in the world have also made it their own in order to safeguard their interests. In Canada, when the Liberal party was in power, they were forced to submit to that same policy, although they disliked it and attempted to cause it to be scorned. Their lack of sincerity in connection with tariff matters impeded our economic education and gave rise to hurtful prejudices. Tariff protection should not be considered as an ideal step towards the fraternity of the human race, but as an economic necessity and as a means of achieving national unity. International fraternity must not be carried out to a point where it may destroy patriotism or compel a nation to weaken itself, to ruin itself in order to be on good terms with its neighbours. Did the government do its best to respect and fulfil the program it submitted to the people in 1930? That is the pertinent question which must be answered by every good Canadian. I think that every honest citizen well informed on our economic and political situation will answer in the affirmative.

The Bennett government came into power at a time when the depression was at its climax. Depression prevailed in this country as well as in other lands. It is a condition both domestic and external. As the hon. member for Labelle (Mr. Bourassa) rightly pointed out, we are now paying for our extravagance, our excesses of the past, and because we waited too long to open our eyes to facts, to reason

and justice, because we have, for too long a time, fostered a delusive speculation, because we have denied the existence of a crisis and concealed its causes, we are paying the price now. As far as I am concerned, I have no cause to be ashamed of the policy I favoured in the past, for I am of those who, since the world war, have foreseen the impending depression, denounced those responsible for it, and insisted upon more vision in the government of the people, more caution in legislation and a greater rational economy in the management of various public affairs.

Unpleasant as it may be for me to be the butt of rather abusive attacks, I see in them a redeeming feature because, in their attempt to reach me, my opponents are compelled to ascribe to me words that I have never uttered and promises that I have never made.

The government are doing their utmost to follow their policy and to secure good results from its application in spite of the difficulties arising from the blunders of the past, the poor crops in western Canada, the speculation in wheat and the depression obtaining in other countries with which business could be transacted in normal times, difficulties considerably aggravated owing to present conditions.

Mr. ST-PERE (Translation): A futile attempt.

Mr. SAUVE (Translation): The government can not be held responsible for the present world-wide depression.

Mr. ST-PERE (Translation): They made promises.

Mr. SAUVE (Translation): The government has decreased our imports to a lower level than our exports. Our people now consume a much larger proportion of Canadian products, these products selling at moderate prices.

Mr. POULIOT (Translation): Shame, shame.

Mr. SAUVE (Translation): The ramblings of the hon. member for Témiscouata (Mr. Pouliot) do not anger me. Although the producers may be now selling some of their commodities at a loss, one must bear in mind that we are now going through a process of reorganization, of readjustment. Our methods of production shall undergo a change for the benefit of both the producer and the consumer. If the prices of some farm products are too low, the fault does not lie with the government, but it is due to the depression now prevailing in every country. According to my hon. friend from Prescott, it is appalling to note to what extent the government is to be blamed for allowing such conditions to endure.

Mr. BOULANGER (Translation): As you were saying three years ago.

Mr. LARUE (Translation): You said so before.

Mr. SAUVE (Translation): I am fond of any echo from my hon. friend from Bellechasse (Mr. Boulanger), but I would rather listen to his speech after mine.

Mr. BOULANGER (Translation): You shall hear it.

Mr. SAUVE (Translation): What country could, at the present time, offer to us a better market, if my hon. friends were in power? What country, were they in office, would offer them higher prices for our farm products and manufactured goods? Can you name a country where, at this moment, the depression is not more keenly felt than in Canada?

An hon. MEMBER (Translation): Hear, hear.

Mr. DENIS (Translation): That statement is not on all fours with your pledges.

Mr. DORION (Translation): You have already made promises yourselves. Answer the minister's questions.

Mr. SAUVE (Translation): I shall reply to my genial friend from Saint-Denis (Mr. Denis), who, I must give him credit for it, always pays particular attention to me.

Mr. DENIS (Translation): That will take some time.

Mr. SAUVE (Translation): Yes, to answer my questions. Nobody foresaw in 1930 that the crisis would last as long or that such great depression would be world-wide. Where is there a country whose products fetch a higher price than ours? There is not one. And, that is why my opponents do not answer my question. We are told that in the last couple of years, although many new industries have been established in this country, several old ones have closed their doors. That may be, but it is due to the inflation of the war period. In certain lines, there are too many factories. For instance, I ask my hon. friend for Témiscouata (Mr. Pouliot) who is a good Quebecker, whether there are not too many shoe factories in our province?

Mr. POULIOT (Translation): I do not admit that.

Mr. LARUE (Translation): You never will admit anything.

Mr. SAUVE (Translation): The hon. member for Témiscouata will only admit when in the other world. The equipment of these

manufactures is too costly for the present requirements.

Our butter and cheese exports show an increase of hundreds of thousands of pounds, and our exports are down to a minimum. In all of that, one may see a good organization for the future, as well as a medium to profit by the return of prosperity. It is a matter of regulating, of simplifying our production, rather than of complicating matters.

Mr. POULIOT (Translation): That is rather complicated.

Mr. SAUVE (Translation): Yes, it was so much so in past years.

The government has cut down expenditures to the very limit. In the Post Office Department alone, expenditures have been reduced by more than four millions of dollars. We are told that we increased the public debt and, along with a Quebec newspaper, our opponents say:

> Under a Conservative government, our debt and expenditures are increasing, and when the Liberal party is in power, they are decreasing.

They overlook the fact that, from 1896 to 1911, they increased the national debt by over 80 millions and the expenditures by more than 78 millions.

Mr. RHEAUME (Translation): It was in order to pay for the Langevin building.

Mr. SAUVE (Translation): What in the world does the hon. member for St. John's know about the Langevin building?

Mr. RHEAUME (Translation): I know something about it.

Mr. SAUVE (Translation): Our opponents also forget to mention that, under their administration, in 1905, farm products were selling at lower prices than at the present time.

Pork was then selling $5 per hundred pounds; hay $4 and $5 per ton, while poultry fetched 50 cents per pair.

In 1922, they pledged themselves to a fair trial of the Canadian National and that trial proved to be a ruinous extravagance.

If the public debt has increased, it is due to the statutory commitments of previous governments, to unemployment, to the general depression of business over which the government has no more control than they can exercise over the world-wide crisis responsible for the weakening of demand and prices in foreign markets; over the stock exchange disasters and the speculation which, as a result of too optimistic a publicity, made so many victims among capitalists, business men and investors.

The government boldly faced the unemployment problem. If the Unemployment Relief Act was improperly applied, the fault does not lie with the Dominion government whose part is simply that of an endorser to the provincial governments, the latter giving their approval to such works as were requested by the municipalities. The act, although national in character and in every respect a patriotic move, cannot be perfect. There are some who claim that relief works directly undertaken by the government would have been preferable. Such an opinion is not to be ignored and is worthy of consideration.

The local legislatures, who are rightly solicitous to preserve their autonomy, should not take an undue advantage of the Dominion government's participation in their own affairs and thus uphold those who are in favour of legislative union. The impression should not be created among the people that with the federal authorities lies the responsibility in matters that are within the scope of provincial and municipal governments.

We have not broken our pledges, but have done our utmost to keep them. If the result was not all that was expected, it is due, may I say again, to circumstances over which the government have no control. We undertook to put an end to imports of goods ruinously competing with our own products. We have been successful in reducing these imports to a minimum. We have passed more than twenty-five orders in council in order to protect the farmers in the east, and especially the truck gardeners, thus closing the door, during seasons of plenty, to the products of countries enjoying a better climate than we do. For the protection of the western farmers we have established a bonus of five cents per bushel on wheat. We have concluded with Australia a trade treaty that was praised by the leading members of the Liberal party in this house and also met with unanimous approval on the two sides of the house. We have done away with the system under which Canada imported thirty million pounds of butter from New Zealand. Of course, the price of butter is very low at the present time and that makes for quite embarrassing and painful conditions as far as our farmers are concerned. But, what would the price of butter be to-day, should New Zealand export to Canada as much of that commodity as in the past? What are the prices of butter and cheese in the foreign countries? Our opponents are reluctant to give us that information. We never pledged ourselves to cause the price of butter to reach fifty cents per pound, but we undertook to put an end to competitive imports, and we have kept faith.

We have been told that, during the last provincial election, I promised the butter in-

dustry a bonus of two cents per pound. When I was sitting in the legislative assembly of my own province, I moved that the local government should grant a bonus of two cents per pound and that they should come to an understanding in that connection with the Dominion government. The motion was not accepted by the Taschereau government. I have been charged with having made that promise throughout the province of Quebec during the last provincial electoral campaign. In the first place, I must say that I never addressed a meeting outside of my own constituency. During the last provincial election, in a speech I delivered in my constituency, I said that the Dominion government were willing to discuss the matter with the provinces if requested to do so by their respective governments. That statement was confirmed by a telegram from my colleague, the Minister of Agriculture (Mr. Weir). The Quebec government were openly opposed to such a policy which was criticized by their prime minister and their Minister of Agriculture. The members who in this house are the most insistent in their demand for that bonus are staunch supporters of the Quebec government who so strongly oppose such a policy. The hon. member for Bellechasse praises the Quebec government who are against the granting of a two-cent bonus for the exportation of butter, and yet we hear him loudly proclaim in this house: "That bonus must absolutely be granted."

Mr. BOULANGER (Translation): Will the hon. gentleman allow me a question?

Mr. SAUVE (Translation): As long as you do not make a whole speech.

Mr. BOULANGER (Translation): Should this government grant a bonus for the exportation of butter?

Mr. SAUVE (Translation): When representations from the Quebec government and from the other local governments are made to us, then we shall be in a position to give an answer to the hon. member for Bellechasse. The hon. Minister of Agriculture in the province of Quebec, Mr. Godbout, also stated that he was opposed to such a bonus, just as he did in connection with the establishment of a rural credit at the expense of the province.

Mr. BOULANGER (Translation): Is the hon. minister for or against the bonus at the present time?

Mr. SAUVE (Translation): At certain times the hon. member for Bellechasse has evinced a desire of being considered as a man in earnest; why then should he alter the goal of his ambition to-night? Would it be merely in an attempt to annoy me?

Mr. BOULANGER (Translation): You would be better advised in answering my question.

Mr. SAUVE (Translation): The amendment moved by Mr. Ralston does not ask that bonus for the farmers. Why then, did not those who so loudly insist upon it, request their leaders to have it included in the amendment introduced by the opposition? Where is their consistency? Where is their sincerity? I am of the opinion that the matter is primarily of a provincial character, owing to the fact that conditions in agriculture and dairy farming are different in every province. It is imperative that production of a particular kind be assigned to special districts. Would it be, may I ask, in the interest of agriculture, at the present time, to have the western part of the country engaged in mixed farming or in intensive dairying? Our market conditions do not, at this moment, warrant an increase in production. One must bear in mind that overproduction is the chief cause of the present depression. Overproduction in agriculture must be avoided, and so must we guard ourselves against an unscientific and unconsidered industrialization of agriculture.

The hon. members opposite are in favour of a rural credit system. When they were in power they established one, but now that they sit on the other side of the house that system no longer suits them. In the legislative assembly at Quebec, I always contended that such legislation was a matter for the local governments, owing to the particular requirements of each province. I urged the Quebec government to come to an understanding with the Dominion government in order to secure a better rural credit system. My request was not acceded to. The Minister of Agriculture, Mr. Godbout, opposed a scheme of rural credit, stating that at the present time such system would bring disaster to agriculture and to the province itself. In the amendment moved by the Hon. Mr. Ralston no change is advocated in the existing rural credit legislation. Why did the Liberals not request this bonus in their amendment?

A great many things could be done in normal times, but just now we are struggling against adverse conditions. As was the case in the days of the Bourbons and of the Ligue, are we told by a distinguished French writer, parliaments in every country are now appealing to their respective governments and their cry is: "Eripe nos de luto." "Drag us out of that pestiferous mire through which we

are floundering." In support of my argument and of the policy followed by this government, I may quote from economists who have no connection whatever with the government or the Conservative party. They are Mr. Ohlin, professor of economics, and Mr. Maurice Guénard, of the Revue de France, both unbiased and keen observers. Mr. Ohlin has this to say:

Beginning with the fall of that remarkable year, the world trade has continually been decreasing and the wholesale prices of all internationally exchangeable commodities have declined in proportions such as to frequently cause dismay among the producers. During the first quarter of 1929, industrial production was on the decline in every country. The New York stock exchange crash in 1931, followed by similar collapses on the leading exchanges of other countries, remarkably aggravated the trend of affairs and added to the intensiveness of depression.

In 1930, as well as in 1931, over-production in agriculture did not cease, in spite of still lower prices. Acreages of wheat were reduced by only a trifling percentage, as also was the case in connection with agricultural foodstuffs (wheat, sugar, coffee, hops) and other farm products grown for industrial purposes (textiles, oleaginous materials, rubber). The depression in agriculture, the results of which were felt so keenly by Canada, was largely brought about by the fact that the yields of crops varied in the last few years, in Europe as well as in America and Australia. As a sequel to the difficulties with which these countries were faced, enormous stocks were accumulated. In 1930-1931 the world had another heavy crop yield, with the exception of the United States. On the other hand, Russia is increasing its wheat acreage by approximately 20 per cent. Result: a disturbed market with protracted instability.

Such a state of affairs will no doubt retard the development of mixed farming in Canada owing to the competition already being felt.

In Canada the wholesale prices of raw products showed a decrease of 33 per cent between June, 1929, and June, 1931, while the decrease in the prices of manufactured goods was only of 19 per cent. With the exception of Sweden, because of special reasons, the same decrease is reported in other countries.

In the United States, between June, 1929, and June, 1931, the wholesale prices of foodstuffs decreased by 26 per cent, and the retail prices, by 24 per cent. In Sweden, the wholesale prices of foodstuffs of agricultural and animal origin decreased respectively by 17 and 23 per cent, while retail prices for the whole decreased by 16 per cent.

In the United States the profits of 1,900 corporations reporting to National City Bank for the year 1930 were 40 per cent less than for the previous year. The decrease in profits was of 90 per cent, in the rubber industries; 70 per cent in the iron and steel industries; from 50 to 60 per cent in petroleum industries, railroads and automobile plants, from 40 to 50 per cent in the case of banks and insurance companies. In Germany, the total profits of financial and industrial undertakings show a decline of 25 per cent and in Great Britain, the loss of about 15 per cent.

In Germany, the market prices of industrial stocks showed a loss of 61.7 per cent, while the decrease percentages in the United States, France and Great Britain were respectively 59.7, 55.7 and 45.

As a result of the decrease in their national revenue, (taxation, customs, railroad receipts, etc.) and of increasing public expenditures (unemployment relief, etc.), several governments were compelled to borrow. In that respect, the situation has not materially changed in most of the countries.

With the exception of France, Belgium, Spain, Lithuania, Uruguay and Russia the amount of notes in circulation is on the downward trend.

After having been a capital exporting country from 1923 to 1928, Canada had to import foreign capital in 1929. That reversal is accounted by a decrease of over 40 per cent in the Canadian wheat crop of 1929 and by the enormous demand of capital required by Canadian industry and for the carrying-over of the large crop of 1928.

In his analysis of the Bennett government policy, Mr. Guénard says:

The situation in Canada does not differ from the conditions in other countries. The main difficulty is that of ridding oneself of the deterministic frame of mind induced by the trend of political, economic and social facts. Canada is powerless in the face of the economic disturbance now obtaining in the United States, the waves of which are unfurling themselves over the Canadian border similarly to the rushing waters of the great lakes on a stormy day. Canada is powerless against the weakness of the sickly English pound, or against the threats of the British tariff, which, in a porcupine like manner, keeps all imports at a distance. Canada,—the fourth largest producing (per head of population) country in the world—has no control over the plethora of markets where the peanut of Africa is left to rot on the docks, the Brazilian coffee used as locomotive fuel and the American wheat has become a food for cattle.

Practically powerless as Canada may be, the Canadians nevertheless face courageously their fate, watched as they are, but unimpeded, by an opposition conscious of the menace. They are struggling against unemployment, are doing their utmost to prevent its aggravation by giving relief to the unemployed. They are economizing and their budget calls for a cut of 43 millions dollars in the expenditures; salaries of civil servants have been reduced, as well the indemnities of the members of parliament and of the cabinet. A favourable trade balance has been established. Canada also successfully floated sinking fund loans as a result of which the country's treasury is materially reinforced. A trade agreement has been entered into with Australia and negotiations are under way for another agreement with New Zealand. Canada has extended an invitation to all nations of the empire to take part in the Economic Conference that will meet on the 18th of July.

Thus, the Bennett government stops, one by one, such leaks as develop in the hull of the ship of state. But the speech from the throne clearly stated the truth: "World conditions are beyond the control of the Canadian people".

"The only thing they can do is to dig trenches and erect barriers in order to stem the menacing forces of economic distress."

Canada is not even in a position to profit by an opportunity that offers, an opportunity which might prove worth while or, at any rate, would have gratified national pride. The govern-

ment of Newfoundland, whose budget was in a precarious condition, offered to dispose of their entire rights on Labrador, a geographically Canadian territory. The price was one hundred millions and Mr. Bennett had no other course but to reply: "As long as the world conditions are what they are, Canada cannot consider the proposal". One cannot help thinking of historical precedents, of Florida being purchased for 25 million francs and Alaska, for $7,200,000, the resources of which countries subsequently proved to enormously exceed the price of purchase.

Just as on a race track, every turn reveals a higher barrier than the previous one, so in a review of the activities of the Canadian people, one is faced with a higher wall or a wider river that must be cleared to reach the end in view. We have not as yet made any reference to the reorganization of the railroads, to the merchant marine, neither have we mentioned the state of dejection in which the Montreal and Toronto stock exchanges have sunk as a result of the epidemic that originated in New York and Chicago.

On the contrary, the nearer the world depression draws to an end, the factors at play in Canada for the recovery from its effects become more apparent: "at first a young and bold optimism, natural resources of astounding wealth, an inflow of foreign capital and that strength accruing from an unanimously favourable public opinion throughout the world."

Most undoubtedly, the time is at hand when Canada's hour shall be sounded. The only difficulty is to know how many times the hand will have to travel around the dial before we hear the joyful peal of the gong sounding that hour.

The foregoing is the answer of fair-minded men to the outbreaks of our opponents.

We are told of abuse of authority. I sat long enough in a house where abuse of authority was of frequent occurrence.

I will mention a case in point.

I do not speak for my hon. friend from Témiscouata (Mr. Pouliot) who is sensible and who understands quite well, no doubt, any of my references to the government of the province of Quebec.

Mr. POULIOT (Translation): Will the hon. Postmaster General allow me to ask a question.

Mr. SAUVE (Translation): Shortly; when I am through speaking, you may put all the questions you wish.

The Liberals who are the most shocked at the acts of this government which they state is abusing of its situation, are the same ones, who approved of the Taschereau government, in 1922, when, pursuant to the provisions inscribed in the Quebec Statutes, chapter 91, article 74, the Quebec Liberal government secured authority to take from the consolidated funds, all the money which the Minister of Highways would need to improve the highways, etc. This measure was arbitrary because there was no emergency necessitating such a step. The improvement of highways was a permanent and regular policy, based on plans prepared in advance and on the province's financial state.

Mr. SPEAKER: The hon. Postmaster General's time has expired.

Mr. SAUVE (Translation): I regret that my time has expired.

Mr. BOULANGER (Translation): May I put a question to the hon. Postmaster General? What has the Highway Act of Quebec—

Mr. SAUVE (Translation): I shall answer my hon. friend when he has obtained the Speaker's consent.

Mr. BOULANGER (Translation): Can the hon. Postmaster General inform me what the Quebec Highway Act has to do with the Dominion government's policy on agriculture.

An hon. MEMBER (Translation): A great find!

Mr. E. C. ST-PERE (Hochelaga) (Translation): Mr. Speaker, my first word will be one of congratulation to our new Finance minister (Mr. Rhodes) on the clear-cut and, may I add, courageous, first budget he has presented to the house. The budget itself, however, brings none of that prosperity promised us by the Tories at the last Dominion election.

I wish to congratulate also my old friend, the hon. Postmaster General (Mr. Sauvé) for having—ever faithful to his principles—persevered in the old protectionist policy which he has never ceased fighting for.

I believe that when he stated awhile ago that certain opposition speakers used abusive language he surely was not alluding to the member for Hochelaga who neither in his election campaigns nor in the federal parliament at Ottawa nor elsewhere, has ever struck his opponents below the belt.

This new budget is crammed with statistics which show that our country is in a pitiable state. Our new Baron Louis, the hon. Minister of Finance, asks for money in return for the bad policy, viewed economically, his government has followed up till now. He demands funds from this house repeating the request that the former Baron Louis was wont to make to his partisans: "Give me good politics, my dear friends, and in the future I shall give you good finance."

A moment ago, my good friend the hon. Postmaster General said that for years the members of the opposition have been asking for a free trade policy. At times my good friend can joke without displaying a smile. He well knows, since he comes from the province of Quebec, that the old Liberal party in our province has never asked for free trade, but was content with the economic policy put into practice by Sir Wilfrid Laurier and his sup-

porters, based on a tariff for revenue which afforded protection at the same time to our large industries and to the general economic interests of Canada. Like all governments that are hard put to it—and our Canadian government finds itself to-day in the very same position as the governments of many other countries—our government first sets about practising certain economies: the ten per cent cut in the salaries of our civil servants. I am opposed to this false economy and my main reason is that I represent one of the largest workingman's ridings in Canada. I am against this reduction in salaries for the very good reason—and in this I am not moved merely by preoccupations of political expediency—many of our foremost economists take the same attitude—that a reduction in salaries is inevitably followed by a weakening of the purchasing power of the country's citizens; and the Lord knows this reduction in purchasing power has, in the present instance, caused innumerable disasters in different parts of Canada and throughout the entire world. I quote Mr. James Klyne, Assistant Secretary of Commerce in the United States:

> In the period comprised between 1921 and 1929, wages really increased by 13 per cent; during the same period the profits of industry rose 72 per cent; and these same industries gained in dividends 256 per cent.

I wonder, Mr. Speaker, if this discrepancy does not absolutely justify our large labour organizations who never cease protesting any reduction in wages.

I have never had faith in these plans of work for the unemployed as a solution of the economic difficulties of our population. Such works as have been undertaken have served, with certain exceptions, merely to enrich a large number of contractors, of partisans; and I even venture to say, representing as I do the opinion of the workingmen of my district, that our people would be better off if these relief works were stopped altogether. Direct relief will ensure far more improvement in the economic situation of Quebec, and the other provinces than have these undertakings for the benefit of the unemployed, which have cost $150,000,000.

These works, Mr. Speaker, should be replaced by direct relief. This latter, unfortunately, appears to be misunderstood by the public. This direct relief will not be a "dole" as applied in England; I consider that it will be simply returning to the workers a part of the wealth that industrial and other exploiters, thanks to high protection, have been despoiling them of for a number of years.

[Mr. St-Père.]

No more guarantees for wheat pools! We have there another false principle that has been applied for years. And direct aid, bounties and subsidies granted to industries are no more than another form of protection which puts these same industries in a very advantageous position when it comes to competing with the products of other countries in the markets of Europe. For the love of the Almighty, let us legislators have done with political prejudice, face the real situation, and understand our duty to enable Canada to compete efficiently with foreign products on the great European markets.

The reduction of the expenses incurred by the Canadian National—

Mr. LAFLECHE (Translation): Exactly.

Mr. ST-PERE (Translation): Are you willing that we should make a brief examination of conscience? What have we witnessed in this house within the last few years? Members, both Conservative and Liberal, have never ceased asking for branch lines in all parts of the country, supposedly to satisfy a public need. We have played politics with our national railways; and now we have to pay the cost, I will not say of the folly, but of this overzealous ambition to prove to the world that Canada had the greatest known railway system. This railroad problem is to-day a burning question in all countries. In the United States it is the question of the hour and even in France the state railway is face to face with an extraordinary deficit. The statesmen of the latter country are striving their utmost to put an end to such an abnormal situation.

Now let us see what the government intends doing to remedy the present state of affairs. Yielding to repeated outcries in our large financial journals the government is thinking seriously of balancing the budget. The politicians of the neighbouring republic are inspired by the same thought. And, following the wake of Mr. Hoover's government, the government of the right hon. Mr. Bennett believes that the most tangible and the most economical way of improving the situation is to impose taxes. No doubt, taxes are always unpleasant. As an old saying has it: the most agreeable taxes are those that one is not called upon to pay. But there is one tax that strikes me as not only unworthy, that the worker, the consumer, the people of the middle class and even of the industrial class, will find it hard to pay: I mean the 6 per cent sales tax. A tax, like every other measure put forward, should in the minds of those responsible for it, bring about some tangible, some practical result. Can the government reasonably expect,

conditions being what they are, with hundreds of thousands of people out of employment, that these people will continue to buy on the same scale as they did when times were prosperous? I say no. Can the government hope that the income tax, as now proposed, will bring the state more revenue than was paid in last year? I say no.

If I take this rather negative attitude it is after having consulted numerous friends, financiers, members of both parties alike. With them I have reached the conclusion that in view of the present depression the government cannot, logically and practically, hope to improve our economic situation.

I refrain from quoting the comments of the Financial Post in its issue of April 16th: it would take up too much time. Whoever wishes to read and study this article will find there a denunciation of the government's new fiscal policy and, further, which will be probably somewhat in the nature of a surprise, a prediction that the present fiscal year will show a deficit of $64,000,000.

Our friends across the way seem to have boundless faith in the coming imperial conference; the name by the way should be changed since, thanks to the recent Westminster Statute there is no longer any empire, but only a "commonwealth" of British nations. Let us, members of this house, read the latest comments of that great English review "The Nation", on the subject of the forthcoming imperial conference.

Of necessity this voice, I will not say of the British government, but of British opinion, expects benefical results from the conference. The article finds a clever way to introduce the idea that England is quite ready to grant the other members of the British commonwealth a certain preference in her markets; but to the reader who knows the use of "distinguo" and can analyse the author's thought it is clear that although England may be willing to make certain concessions, nothing in the world will induce her to adopt an attitude that might prove harmful to her government in its trade relations with foreign countries.

We are told that our industries have increased in number. As to that, I have not looked up the statistics; but concerning the latter I recall what was said by a great French economist: They are often lies published in figures. If this customs tariff adopted by the government, or rather modified by order in council at every meeting of the cabinet, if this tariff, I say, has met with so much success in attracting new industries to Canada, how are we to reconcile such a practical result with the fact, which is there for all to see in our large cities, that industries established for 20 or 25 years, are closing down? We would do far better it seems to me, to keep these factories going rather than try to attract American branch factories to Canadian territory, the profits from which will go to swell the fortunes of certain big American capitalists.

Now let us talk of Canada. It is a good thing as I said a while ago to look towards the past. I believe—and I am not alone in this belief—that we went ahead a little too fast, that we wanted to practise economic modernism at a time little suited to any such design: we have been seeking a rainbow. Certain speculators—and my friends to your right, Mr. Speaker, have heard something about this, particularly those who represent rural ridings—certain speculators, under cover of patriotism, overran our countryside selling worthless stock to our farmers; if the credit of the farmers in our province has suffered slightly in consequence we must blame those who succeeded in making the farmers believe that their money would be more profitably invested in new industries, which had no prospect of success, rather than in lands which would continue to increase the family holdings.

It has been repeatedly stated that Canada is the granary of the Empire. What became of this granary when, after the Great War, the countries of Europe, Germany, Czechoslovakia, Transylvania, Hungary, determined to produce at home the wheat they had been buying from Canada?

We were in too much of a hurry, we forged too far ahead, and more than once we showed lack of discernment, of vision, of economic sense... Take another example: excessive immigration. What does it matter to me that both governments practised it? They sought to attract too many immigrants to our shores; why, only a few days ago I heard the hon. Minister of Immigration (Mr. Gordon) say that he hoped he would never see the day when a British citizen would be refused admission to Canada. Citizens of all countries should be welcomed here and, in Quebec province especially, we may say that we know how to receive them; but at a time like the present when the unemployed from all parts of the country are concentrating in our large cities we should, more than at any other time, close our doors to all immigrants, whether they come from England, France, Italy or other Nordic countries. "Canada First" should be the immigration policy of the new Minister of Labour in the cabinet of the right hon. Prime Minister (Mr. Bennett).

Mr. DORION (Translation): Hear, hear.

Mr. BARRETTE (Translation): That's the policy we intend to follow.

Mr. POULIOT (Translation): You follow it from a distance.

Mr. DUBOIS (Translation): With 500 immigrants on the way.

Mr. ST-PERE (Translation): "Propheta altissimi vocaberis." Our arm-chair economists talk of overproduction and underconsumption. To my mind what we are suffering from just now in Canada is overproduction. Why not make known to our people the true state of affairs? Why not admit the unrest that is found to-day among all classes of our population? Oh, the appeals to communism! I have lived my entire life among the workers, and those of the province of Quebec, be they English, Scotch, Irish, French, Canadian, Jewish, or of any other nationality, have no faith in the principles of communism. As I stated in a former speech, they are not even interested in finding out what the word means. Here is a typical example. Quite recently one of my worthy constituents asked me at the corner of Ontario and Davidson streets: "Will you tell me, my dear St-Pére, what the word communism means?" I thought I should try and explain to him, in my own way: "You see that house there that I built with my own savings? Well, if communism were put into practice I would have to share it with you." His good sense made him answer: "What a crazy idea!"

Let us have no faith in communism; but we must strive towards one end: improving the lot of the masses. From an economic standpoint the situation in our cities is distressing. At the present time a great many small owners of realty built with the savings of the working class, are wondering if to-morrow, with all this unemployment, they will still possess their property. Mention is made of a moratorium on mortgages. Since we talk of high finance in this house you will no doubt be interested to know that a certain prominent financier whom I met recently asked me to have a moratorium declared on loans due the banks—

Mr. DORION (Translation): It would be a good thing.

Mr. ST-PERE (Translation): —with the understanding that the borrower would continue to pay interest. There you have the true situation, the uneasiness that is gnawing at our people to-day.

Quite frequently the United States are pointed to as an Eden, a terrestrial paradise, in the present crisis. The eldest of my brothers, who died last year, held a very important position with Western Electric in Chicago; and for the last four years he foretold the muddle we are in to-day. When times were prosperous this great company employed some 45,000 people; only 12,000 are employed there now. It is rather odd that in the United States all economists, all university professors and all important industrialists are at one in blaming the present crisis on the high tariff that had been in force for a number of years. What are we to do? In the light of my own personal experience I, a Liberal, do not consider that the only way of reaching a solution is to declare, as the right hon. Prime Minister of Canada did recently, that in a protected world we must have a protected Canada. I say that, in a protected world we need governments with courage enough to espouse the cause of lower tariffs; I believe with M. T. Chadbourne, who organized and controlled southern trade, that the various countries should work in harmony, that a lowering of tariff barriers is imperative, that me must get away from economic nationalism, take a broader view, and acquire a more complete understanding of what the future holds.

We are told that in any country the only road to national well-being lies through a system of protection. I intend quoting certain statements made by Mr. Etienne Fougère, one of the foremost economists of France, in an article which appeared in "L'Européen", issue of September 18, 1931. Speaking of the invasion of protectionism, he writes:

> A new invasion, which it will be hard to withstand, threatens the World, and especially Europe; I mean protectionism. It has already penetrated everywhere and we are beginning to feel its ill effects. But up to now one great country, England, had withstood it and had fought against it at all international assemblies.
>
> To-day our neighbour and friend has been almost won over to the protectionist cause; and like all neophytes, certain British statesmen have shown themselves overzealous. Indeed, Mr. Runciman, a former liberal minister, and a champion of free trade at Geneva, wants to forbid the importation of all articles of luxury, which amounts to no less than an economic break with France, and a return to mediaeval ways.
>
> For our part we do not expect things to reach such an extreme pass. However we must be prepared for a customs tariff in Great Britain.
>
> What one might call fate has urged the nations along this road since the war. They had the choice of two ways:
>
> A greater measure of freedom in trade which would have lowered customs barriers as political animosities died away; or else a policy of national isolation which would bring about the erection, around each country, of a sort of Great Wall of China, destined to rise higher and higher.
>
> The second of these two roads was chosen. It has a steep incline and it is difficult to find brakes powerful enough to control what excess there may be. Hence the alarming progress of protectionism.

There is but one way, one, to limit or arrest this progress: economic agreement among nations. Can it be said that we are headed in this direction? The dull and hypocritical debates at Geneva assuredly lend us no encouragement.

If we fail to reach some such understanding we are on the eve of an era of tariff insanity. Already Russia, Germany and other countries are evading established duties. The realization of this will provoke new restrictive measures, and so new sources of irritation and of conflict will be added to those already existing.

The end of the year 1931 will find France with an adverse trade balance of fifteen billion francs, while Germany will have a favourable balance of eighteen billions.

The mere mention of these figures suffices to show that France will have to adjust her tariff policy. But will this unavoidable necessity make for Peace?

Etienne Fougere.

In closing, Mr. Speaker, I ask the government to adopt Mr. Etienne Fougere's attitude.

During the debate which has been going on in this house for the past few days some of our friends on the other side have introduced provincial politics. I will add my own comment: my friend, the hon. Mr. Taschereau, has no need of my weak voice to defend his policies; but there is one thing that we must take notice of, and that is that the good old province of Quebec unlike other provinces of this dominon, has enhanced our adherence to the declarations made against confederation in olden times by Sir Antoine Aimé Dorion, Liberal prime minister, elected from the constituency that I have the honour to represent in this house. The other provinces have appealed to the federal government for aid. The good old province of Quebec, which is not perfect but which strives to reach perfection, has this merit, during the present crisis, that it has not come to Ottawa to beg, neither for sympathy nor for federal funds. The province of Quebec, now a part of confederation will continue to be what it has always been, a broad-minded province, at times too open-handed in the matter of concession; but whose people, side by side with those of our sister provinces, will work for the return of that prosperity, that economic and social well-being whose loss Canada has had to mourn these last few years.

Mr. L. DUGUAY (Lake St. John) (Translation): Mr. Speaker, may I, in my own name and that of my constituents, sincerely congratulate the hon. Minister of Finance (Mr. Rhodes) on his budget speech. I sincerely congratulate also the hon. member for Shelburne-Yarmouth (Mr. Ralston) on the extremely arduous task he accomplished with such imposing success. The hon. member for Hochelaga (Mr. St-Pere) also may well be proud of his magnificent examination of conscience. I am convinced that after such proofs of perfect contrition his constituents will not hesitate to give him absolution and will not hold against him the fact that he thought rather late of the remedy he should have suggested in 1926 or 1928.

Mr. DENIS (Translation): Change the dates.

Mr. DUGUAY (Translation): Mr. Speaker, allow me to tell you a little about my riding which may not have been very much talked of in parliament but, on the other hand, has been discussed quite a lot elsewhere by numerous people, mostly financiers. Perhaps it will interest you to learn how my county developed from 1921 to 1931. In 1921 Maligne Island was without electric power; neither Riverbend nor Dolbeau had a factory. Its population was then only 35,539, while to-day it has attained 50,253; an increase of 14,714. This industrial development has left bitter memories in the hearts of the older settlers of Lake St. John county; the expansion forced a number of the oldest citizens of the county —the pioneers of the district—to leave their farms on the shores of lake St. John and settle further inland or to go and spend their savings in the little industrial towns which were springing up.

The hon. Prime Minister of Quebec province gave magnificent praise, from 1923 to 1928, to this industrial expansion of Lake St. John county; but he lost sight of the fact that this industrial expansion left in its wake a sorry state of affairs. To-day it becomes our duty to recall to the hon. members on the opposition side that their party is responsible for the present severe crisis and that they should be the last ones to reproach the federal government for having loosened its purse-strings, especially in 1931-1932, in an effort to undo a little of the havoc wrought by these new industries.

Here are the amounts expended by the federal and provincial governments, and the municipalities, for unemployment relief work in Lake St. John county. The municipalities spent $279,100, of which the federal government advanced $122,575; federal and provincial undertakings, in which the municipalities had no part, cost $12,600; the provincial highway between Quebec and Lake St. John took $126,000, of which the federal government paid 40 per cent, or $50,000. To these figures should be added the further amounts granted since parliament passed the bill extending to May first the operation of the Unemployment Relief Act. It is pleasant to recall in this house the large sums given by the federal and provin-

cial governments to help the farmers of my county in particular and the agricultural class in general; but we must inquire, too, how this money was spent. Let me say, first of all, that in some of the municipalities in my constituency—and I believe the same carelessness was evident in most parts of the province—the money was divided per capita, which means that a wealthy family, composed of the father, the mother, and eight children, received the same amount as the family of the poorest citizen in the parish, made up also of the father, the mother, and eight children. I leave it to the hon. members of this house to judge of the efficacy of any such distribution of funds. Other municipalities went about it in another way, giving the necessary money to those who were really in need of it. Now, certain municipalities which should have received money, got none. Why? Because the mayor was a Conservative and the provincial government had the power to distribute this money as they saw fit. The federal government never refused a cent to a single municipality in Quebec province; but I say that the government of the province took it upon themselves, not to give any funds to certain municipalities in my riding where the mayor was a Conservative. To-day our hon. friends of the opposition criticize the way this money was spent for unemployment relief. Well, I think that as far as Lake St. John county is concerned, the blame rests chiefly with the Liberal party of the province. I fail to understand how the hon. members to your left, Mr. Speaker, can preach this policy in the house, as they did before the people of the province during the last provincial campaign in 1931.

Mr. DENIS (Translation):—But that is false.

Mr. DUGUAY (Translation): I say that this industrial expansion led the government to try a new tack, to preach a new intensive policy; and that brings me to the subject of colonization. In Lake St. John county, from June to August, 400 new settler families had to be established. I simply call such a policy "electioneering colonization." Several members—I mention no names—have skilfully defended on the floor of the house, this colonization program in my district; but their attitude has not been justified by results. I visited several townships in my riding, and I tell these members that they have no right tc uphold any such colonization policy, the chief result of which has been to enrich the big lumber merchants. The settlers were set up in magnificent houses; and this colonization policy afforded to friends of the provincial administration an opportunity to reap exorbitant profits. I am not opposed to colonization—quite the contrary—but the farmer who for some reason or other must abandon his farm, or the individual living in a small industrial town, should be able to settle on a farm where a proper income is assured.

On the first of November last year, 1931, several prominent citizens of my constituency held a meeting at Roberval and signed a petition asking the federal government not to advance one cent for settlement purposes in the county of Lake St. John, until a serious investigation had been held; and to ensure that the money be spent for a better purpose.

Besides this matter of colonization, Mr. Speaker, we must speak of our farmers. They comprise three-quarters of the population of Lake St. John county. I will take the liberty of reading to the house a letter sent me by the Mayor of St. Gedeon.

Mr. DUPUIS (Translation): A Liberal?

Mr. DUGUAY (Translation): I do not think so: the Liberals of my county cannot be overfond of me when they write me letters like this one.

Mr. DORION (Translation): It is the Liberals who do not like him.

Mr. DUGUAY (Translation): As I read this letter to you, you will realize how critical is the position of the farmers in my riding:

March 31, 1932.

Dr. L. Duguay, M.P.,
Parliament Buildings, Ottawa.
Sir:—

The Catholic Farmers' Union of Quebec forwarded, within the month, a petition to the federal members concerning the needs of the farmers of Quebec province. One of these needs is for borrowing facilities. At the last session of the provincial legislature fourteen thousand farmers signed a petition to the Taschereau government asking for a rural credit system. We had the painful experience to learn one fine morning that all action on this petition had been indefinitely postponed. And that's that. The banks refuse to loan us any money. . . .

Some may find the contents of this letter absurd.

Mr. FAFARD (Translation): Hear, hear.

Mr. DUGUAY (Translation): We have not to do only with high finance; but wth small finance, also. This is small finance. "The banks refuse to loan us any money." That is true. The banks do not wish to make further loans to farmers, especially on account of the Bankruptcy Act as it existed, and still exists. That is the result: they do not believe the

farmer can produce enough to make a profit. I repeat:

The banks refuse to loan us any money; the small lenders are without funds and our few Popular Savings Societies are inaccessible to the majority of people. What are we to do? Several of us have already been sold out by the sheriff and if conditions do not improve very shortly most of our farmers (I know whereof I speak) will be reduced to the same straits. What little knowledge I possess does not enable me to indicate the best way of avoiding such a financial disaster for our farming community; but I beg the members of parliament, who are in a superior position, to decide as soon as possible upon a practical way out. The farmers of our province are just as much entitled to consideration at the hands of the federal government as are those of western Canada; these latter receive a subsidy on the wheat they sell, or will sell. Could we not benefit by some such treatment for the sale of our butter and cheese? But, once more, our most crying need at the present time is undoubtedly for a rural credit system adapted to our wants and to our means of repayment. This is a question of life and death for the farmers of our rural districts. There is no getting away from it. The government of Quebec has deceived and discouraged us in this matter. It is really too bad.

Mr. FAFARD (Translation): He is not speaking of federal credit?

Mr. DUGUAY (Translation): That is exactly what I was coming to. To-day the hon. members of the opposition want this matter of rural credit to be simply taken over by the federal government, and this evening the hon. member for Laval-Two Mountains, the Postmaster General (Mr. Sauvé), clearly explained the situation in the province of Quebec, as regards election promises. Last year these gentlemen promised,—and I may say that in the county of Lake St. John the hon. Minister of Agriculture for the province of Quebec, Mr. Godbout, promised the farmers a rural credit system, but he took no steps whatever towards this end, and to-day he is trying to persuade the Quebec farmers that this question of rural credit is purely a matter for the federal government, a Tory administration.

Well, gentlemen, we never ceased to ask for this rural credit system when you were in power. What did you do? You claim it is a matter for the federal authorities! Have the courage and the will-power to assume responsibility for the evil deeds of the Quebec administration.

Mr. BARRETTE (Translation): Very true. They cannot get out of it.

Mr. FAFARD (Translation): We are in the hole.

Mr. BARRETTE (Translation): Understanding is necessary.

Mr. DUGUAY (Translation): The farmers of Quebec must face another problem. It is all very fine to spend money for land settlement and for unemployment relief, but we must not lose sight of the fact that most of our Quebec municipalities are heavily in debt. To-day our farmers cannot meet their taxes. If we give too much encouragement to colonization schemes these people will necessarily allow their land to be sold by the sheriff and will take up holdings in the newly opened districts; then those who remain in the municipalities will have to shoulder all the debts. A great many of our farmers are obliged to pay from $150 to $250 in taxes every year. I believe governments should think seriously,—and by governments I mean the federal government and the provincial governments,—of finding some means of lightening the burden of our Quebec municipalities and our tax-paying farmers.

I am doing my best to show,—I know I have not succeeded in convincing our hon. friends opposite,—that . . .

Mr. MERCIER (St. Henri) (Translation): You have nothing to blame yourself for.

Mr. DUGUAY (Translation): Such is the situation in my county to-day from an agricultural standpoint.

An Imperial conference is to be held during the coming summer and, in the interests of Lake St. John county, I would ask the representatives of the Canadian government at this conference to take up the question of paper. If I remember aright, I read somewhere that England imports yearly $63,000,000 worth of paper, of which only $13,000,000 dollars' worth comes from Canada. If, at this conference our government succeeded in obtaining favoured treatment for our paper exports to England, the people of Lake St. John county and the industrial population of Quebec province whose livelihood depends on these paper-mills, would owe an eternal debt of gratitude to the right hon. Prime Minister of Canada.

May I be allowed, Mr. Speaker, to reply to certain statements made by our hon. friends opposite during the famous debate on the proposal to extend the Unemployment Relief Act? A number of these gentlemen sought to prove that the Conservative party is very wealthy—

Mr. MERCIER (Translation): You are richer than we are.

Mr. DUGUAY (Translation): My riding is one of those that have suffered at the hands of the Liberal administration in Quebec; you

have there an excellent illustration of a policy that tends to enrich those who are already wealthy.

But I wished to discuss another subject. Several hon. opponents tried to make people believe that we, on this side of the house, were nothing but a flock of sheep.

Mr. DUPUIS (Translation): Too much honour.

Mr. MERCIER (St. Henri) (Translation): Your government protects wool.

Mr. DUGUAY (Translation): I cannot speak for my colleagues, but in my own name, I wish to reply to this assertion. I was elected in the constituency of Lake St. John as a Conservative—

Mr. FAFARD (Translation): You won't be elected again.

Mr. DUGUAY (Translation): —and professing, as does my leader, the right hon. Prime Minister, Conservative ideas. I believe it my duty, in the interests of the country, in the interests of my constituents, to support the policies of his government.

Mr. BARRETTE (Translation): Hear, hear.

Mr. DUGUAY (Translation): Mr. Speaker, the Liberals forget that in 1921, in 1925 and in 1926, they got elected in Quebec as Liberals, under the dictates of the hon. member for Quebec East (Mr. Lapointe) and that they bid down before what we call to-day the radical group, so as to remain in power. They should have been strangled then: the province of Quebec would be better off to-day. I ask you, Mr. Speaker, between the kind of sheep who lie down before a third party and those who—

An hon. MEMBER (Translation): Sheep seldom lie down in the fields.

Mr. DUGUAY (Translation): —and those who remain faithful to their policy, which would you choose? For my part I say that if there are two kinds of sheep, if there be sheep of two colours, I prefer my colour to theirs.

Mr. A. E. MacLEAN (Prince): I am really sorry that I could not follow our French-speaking compatriots in their beautiful flow of language and the flights of oratory to which they have treated this house to-night, and I regret it particularly in the case of the Postmaster General (Mr. Sauvé).

But I can understand the Postmaster General when I get a notice that some of the postmasters in my district have been dismissed. In a return tabled the other day I noticed that somewhere around 590 postmasters have been dismissed under the administration of my hon. friend as Postmaster General.

I regret that I cannot compliment my good friend the Minister of Finance (Mr. Rhodes) as I should like to have done, coming as he does from the maritime provinces. I think I can compliment him so far as the actual presentation of his budget was concerned, but not upon its subject matter. Possibly that is not altogether his fault; I know he would like to have presented a better budget to the house, a budget along the lines of those presented by that great statesman from Nova Scotia who occupied for so long the distinguished office now held by my hon. friend—the late Right Hon. Mr. Fielding—or a budget along the lines of the Robb and Dunning budgets, which stood for surpluses, freer trade, expanding markets and reductions in taxation. It seems to fall to the lot of our hon. friends opposite whenever they come into power so to manage or mismanage the affairs of the country that they are able to produce only budgets that show deficits instead of surpluses, increased interest charges and increased public debt—budgets which hold out no hope for the Canadian people, and especially the people of the maritime provinces.

If hon. members will look at the public accounts they will find on page 51 thereof a list of surpluses, seven in number, which were the result of the late Liberal administration. The hon. member for St. Ann (Mr. Sullivan) said in this house that he would proceed by way of comparison, and I trust that for a few moments to-night I may proceed in the same manner. Two years after taking office the late government were able to change the deficits of the former Conservative administration into surpluses, and for seven years they were able to show reductions of the public debt and large balances on the right side of the ledger.

A survey of the history of federal administration from 1867 down to the present time will not disclose a record anywhere approaching that of the late administration. No other government since confederation has been able to show seven consecutive surpluses and reductions of debt. Then our friends come into power, and in the short space of two years what do we find? We find they have changed the whole situation, and that in the last two years they have rolled up vast deficits. The surpluses under Liberal administration were not produced by cutting ten per cent from the wages of government employees, by cur-

tailment of public services, restriction of trade or increase in tariff. They were produced by directly opposite policies—trade expansion, freer trade, reduction in taxation and tariffs. Because of those policies I think Canada will be able to look back for a great many years upon that period of Liberal administration as a second golden era brought to this dominion through Liberal rule. It is a record of which all Liberals may be truly proud and which our friends opposite would like to duplicate, although during the time they were in opposition they sought to condemn the Liberal party and the policies which produced the results I have mentioned. It was a welcome relief to the people of Canada when in 1924 the Liberal party changed this long list of deficits into one of magnificent surpluses, and continued to show those surpluses during the whole time they held office.

We find that hon. members opposite have added very substantially to the interest charges of the dominion. The public accounts show that last year hon. members opposite, after being in power only a little more than a year, showed a deficit of about $84,000,000. This year we regret to say that they have rolled up another tremendous deficit, an addition to the public debt, of something like $119,500,000. That is not the whole story, because there has been an increase of $13,000,000 in the interest charge, which is shown on page 6 of the estimates for this year, the whole constituting a burden which our people will have to carry for a great many years to come.

When hon. members opposite were sitting on this side of the house they were very free in their advice to the government of the day, and were always advocating some way of taking care of the public debt. Our good friend the present Minister of Justice (Mr. Guthrie) would wax eloquent on the building up of a reserve fund or sinking fund or some provision for paying off our public debt. I now ask my hon. friends this question: Where is that policy they so strongly advocated when they were on this side of the house? We hear nothing about the reduction of the public debt; on the other hand we find tremendous additions made to it, and interest charges mounting each year. The two deficits I have mentioned total $203,000,000. As the hon. member for Shelburne-Yarmouth (Mr. Ralston) showed, the total addition to the public debt amounts to about $307,000,000.

Mr. SPENCE: Are there any other additions the hon. member would like to take in?

Mr. MacLEAN: If the hon. member for Parkdale will have patience I may show him that there are others. Certainly if he waits until another budget is brought down he will see a further substantial deficit.

If the present government had increased the public debt and had shown deficits without increased taxation, there might have been some excuse for them. But we find that deficits have increased, in spite of heavier taxation all along the line. If those deficits had been made without additional taxation, we would not think so much of them. Last year when the Prime Minister (Mr. Bennett), who was then acting as Minister of Finance, brought down his budget, his estimate of new taxation was $78,000,000. In the budget brought down this session we find an estimate of $55,000,000 for additional taxes. The figures show that in two years this government have imposed in additional taxation the sum of $133,000,000, and at a time when this country should be receiving relief from taxation.

If the Conservatives had carried out a few of the promises they made during the election campaign the deficit would be much greater than it is. What would have been the situation in Canada to-day if they had gone on with only one promise, that concerning the old age pensions, in connection with which an expenditure of $25,000,000 was involved? Had that promise been implemented, undoubtedly the deficit would have been greatly increased. As you know, Mr. Speaker, this policy of old age pensions has not been brought into effect in Quebec or in the three maritime provinces, and the government in supplementing the old age pensions is only paying some 75 per cent to the provinces that have adopted the legislation.

Hon. gentlemen opposite when they were in opposition promised that they would start a stream of money flowing over this country. I remember the Conservative campaign literature published in my own county at that time contained this promise among others. What do we find to-day? Instead of this flow of money into the pockets of the producers and consumers of this country, we find the flow of money is out of the pockets of the people into the coffers of the government in the way of tariff and taxation—$133,000,000 of added taxation in two years. Now, if increasing the tariff and taxation burdens of the people would balance the budget, this government should have succeeded, as they have followed that course. An advertisement in the Citizen runs: The more you tell the quicker you sell. But our friends opposite might adopt this slogan: The further they go the more they owe. I be-

lieve the time will soon come when the people will demand that the government go to the country and let the electorate decide whether they are satisfied with their record.

As I have already said, reducing the salaries of those who have been serving the country well has been resorted to by the government to help out the present financial stringency. This was not included in the many promises which our hon. friends opposite made before they came into power. Nearly everything else they promised but this reduction of salaries, and it has come as a great surprise to the public service. I believe the tariff changes are largely responsible for the difficulties we are in to-day. This government have a policy diametrically opposed to ours, and they are pursuing that policy with a vengeance. The present Prime Minister, speaking in the house in 1927 said:

> Furthermore, and it is on this point that there is an essential difference between us, my hon. friends opposite are more concerned with foreign trade; we are more concerned about domestic trade. They are concerned about developing channels of trade that take our ships, they say, to the seven seas; we are concerned with bringing people to Canada and giving them work to do in the development of our country and at a proper living standard of wages.

This proves conclusively that the policy of the Conservative party is directly opposed to the policy of the Liberal party. As I said before, the policy of the Liberal party is directed to extending our export trade, and it was wonderful how it did expand during the Liberal régime. But immediately our friends got into office they saw fit to increase the tariff, with the result that we have lost our best customers and to-day we find ourselves with a surplus of products which we are unable to market. This home market that they were going to build up overnight, about which our good friend the Prime Minister waxed so eloquent in 1927, has not developed as he and his party expected. When he was addressing the house in 1927 I remember asking him what he expected to do with our surplus products while he was building up this home market. His answer was, "We will sell them." But it has been simply impossible to sell our surplus products, and the home market has not developed. Later on the right hon. gentleman stated it was not a matter of a year, but perhaps of generations before that home market could be developed. As I said at that time so I say now, what is to become of our surplus products while that home market is being built up? The Conservative party were going to give everyone who wished to work a chance to work, they were going to give the Canadian workingmen a full dinner pail and a good many other things when they came into office. Well, our hon. friends have had that opportunity, they have been in power for two years, but up to the present we do not see any improvement from the putting into effect of their policy. Evidently the high tariff policy which they believed would build up industry and improve the economic situation has not worked out as expected. Let me take the automobile industry as an illustration. In 1929 our exports of automobiles and parts were valued at over $47,000,000; in the eleven months of the last fiscal year those exports are down to $4,000,000—a decrease of nearly $43,000,000 in the short period of two years. It is almost unbelievable, but this is what the record shows. No doubt the same condition obtains in a good many other industries.

As I have said before, this budget holds out no hope for the farmer, nor for the manufacturer, nor for the consumer. It is just another wet blanket thrown over agriculture and industry. I can see nothing in it for the benefit of the maritimes. Let me contrast this policy of restricting trade with the policy of trade expansion so well expressed by our former Minister of Finance, the Hon. Charles A. Dunning, on May 1, 1930, when he said:

> Canada will not engage in a tariff war with any country. The world shows at the present time too many examples of disaster following such a course. As a great exporting nation our course must be the contrary one of facilitating trade with those who facilitate trade with us. Those who raise prohibitive barriers against our products entering their markets must expect that we will extend favour to our own good customers rather than to them. I speak in no spirit of retaliation. I would much rather extend lower tariff favours to those who extend them to us than to impose prohibitive tariffs in return for like treatment.
>
> Lower tariffs to those who buy most freely from us makes for trade extension and wider markets for our products, while prohibitory duties to meet prohibitory duties generally applied constantly tend to restrict our export markets.

Nothing can be more to the point than that wise declaration of tariff policy, and events since that time have proved that the Hon. Mr. Dunning was correct. Our friends opposite have said on different occasions that there would be no retaliation. I can point out time and again where news items have appeared in the press showing that retaliation has been practised by a great many countries against Canada. Senator Robinson, speaking in the United States Senate, said:

> We started this high tariff by putting on embargo rates. The other countries followed, and it makes no difference in the final result whether they were moved by a desire for

revenge and reprisal or by the non-vindictive purposes to favour their own industry. Tariff barriers such as those now standing are comparable to a blockade of commerce.

He went on to say:

To say that the United States could close home markets to foreign traffic and live by herself was silly and untrue.

If that statement is true concerning the United States, which is a much more self-contained country than Canada, it is true in a greater degree regarding this dominion. We find that Germany has imposed special duties against goods from Canada and Poland. The newspaper item states:

In the case of Canada, the special customs tariff would be postponable for a period of six months in the event that the Canadian government negotiated for a commercial treaty with Germany.

The Irish Free State has given notice of a tariff to affect all foreign imports that can be made at home; another country that has put up tariff barriers against Canada is Italy, and we find our trade has fallen off. Our hon. friends opposite cannot blame depreciated currency for the falling off in trade, because if ever there was a time in the history of the dominion when the United States could have bought from Canada, it was during the last two years. With their inflated currency they were able to buy here and the premium on exchange would almost wipe out the tariff between the two countries so far as they were concerned. Notwithstanding the fact that they had this favourable rate of exchange, our trade with them and the rest of the world has fallen off to a marked degree. Our exports to all countries, United States included, declined from $1,120,000,000 in 1930 to $605,000,000 in 1931, or a decrease of over $515,000,000 in two years. I ask the question here and now: Who is to blame for this state of affairs? Our hon. friends opposite cannot have things both ways. The Minister of Trade and Commerce (Mr. Stevens), speaking in the house the other evening, said that he and his government took credit for shutting out imports. He said that they had been able to balance the trade of Canada and that we now had a favourable balance of trade, that position being achieved, as he claimed, by shutting out imports. If this government are going to take the credit for shutting out imports, they must also take the blame and the condemnation of the Canadian people for destroying our export market, because it will be found that our exports have declined in practically the same proportion as our imports. Will the minister explain what has happened to our exports that they have declined almost equally with our imports? As regards our trade with the United States, our imports have declined 5.2 per cent, while our exports have declined 3.5 per cent, so that the decline is about the same in each case.

One thing that has tended to discourage trade both from and to Canada, but especially in respect of goods coming in, has been the application of the dumping duty. This duty, which is really an increase in the tariff, has been applied by the present government in a very decided way. We can cite instance after instance where this dumping duty has been applied by the government and where, owing to the rulings which have been put into effect by the Minister of National Revenue (Mr. Ryckman), it has been almost impossible for importers and merchants to carry on trade. Our hon. friends opposite surely must realize that we cannot have trade all one way, and that if we are going to sell abroad, we must also buy. As I have stated, the tendency to shut out imports has been one of the greatest factors in destroying our export markets and placing our farmers and other producers in the position in which they find themselves to-day. It was Nicholas Murray Butler who said:

The last place to look for security is in armaments and the last way to seek prosperity is through isolation.

The Conservative party seem to believe in the isolation of trade, of shutting out imports, of living to ourselves, but I think they are finding that such a policy not only is destroying the revenue of the country, but has brought about stagnation in trade and the unemployment situation as we have it to-day.

These hon. gentlemen, not satisfied with the tremendous increase which they have made in the tariff in the past two years, have made this year another very substantial increase by raising the excise tax to 3 per cent. This cannot by any stretch of the imagination be termed an excise tax; it is purely and simply an increase in the tariff, because it applies to everything that comes into the country. Back in 1924 the average tariff was around 15 per cent; at the present time it is 22.1 per cent, the highest of any country in the world with the exception of the United States and Spain. We were led to believe that many articles would be exempt from the tariff which our hon. friends opposite imposed in the short session of 1930, but owing to the imposition of the dumping duty and the excise tax, very few articles now remain on the free list. If we take bills that some people have handed to us, we find that in many cases this

dumping duty works a very severe hardship. I should like to give just one illustration, that of a bill that was handed to me by a newspaper. It says:

The finished bill was made up like this:

Six articles at $5 each	$30 00
Exchange 15 per cent	4 50
	$34 50
Forty per cent ad valorem duty	13 80
Additional duty, 35 cents per lb	2 28
	$50 58
Four per cent sales tax	2 04
One per cent excise tax	0 51
Total	$53 13

We could quote a great many other items which have been handed in to us, where merchants find it almost impossible to carry on under present conditions. The Montreal Star, writing about the present budget, said:

> Taxation of any kind retards recovery. The tax collector is the best friend that depression has. When a community is in the condition ours is in to-day, any impost which blocks business or chills initiative slows down the wheels of production and marketing, and tends to postpone the return of those happy days when things were at least "normal." It does not matter so very much, except to the individual, where the blow falls. In every case, it stuns public confidence, saps energy and reduces enterprise.
>
> In conclusion, it is pointed out that the real sinners in raising taxation are the people who apply political pressure to the ministers to compel the expenditure of public funds.
>
> Every man or interest that goes to Ottawa demanding a new expenditure is the poorest sort of patriot to-day unless his expenditure is absolutely imperative in the public interest.
>
> The government, it is pointed out, have made economies, but have not made enough.
>
> In passing the estimates, not a dollar should be voted which cannot prove its right to exist.

Now this sales tax which is proposed is going to affect very severely some of the industries right in the county which I have the honour to represent. Take the silver fox industry. This sales tax, which will apply on biscuits, will hit that industry very hard, because a large proportion of the food used comes under the category of biscuits and cereals of different kinds on which the sales tax has been increased. If you add on every hundred $6 of an increase in price, it simply means that business cannot carry it; and on the other hand it will almost ruin the manufacturers of these biscuits who are carrying on at the present time under hardships and who also are performing a splendid service to the fox industry in the manufacture of this food product. The same complaint comes in regarding the duty and the sales tax being applied to ice cream. They say it is impossible to increase the standard price of ice cream, because that has been regulated so long at a certain price that an additional price cannot be charged, and therefore it will reflect back on the producer of dairy products. So that it hits the farmer in that way. Containers for dairy products of all kinds are also included in this six per cent sales tax.

If hon. gentlemen opposite had told the people of this country that they intended to carry on in this way and put these policies into effect, I do not think they would have been placed in power. If they had told us that the first year they had the reins of government they would increase the debt of this country by $84,000,000, do you think the people would have given them the reins of power? I do not think so. If they had told the people that this year they would have $119,000,000 of a deficit, I do not think they would have been put in charge. Would any business concern think of carrying on under such conditions? No, sir. I submit that the first thing a business concern would do would be to call in the manager and simply tell him: "You have put my business behind in two years to this extent. I have undertaken to engage you for four years, but I find that it is far better for me to call you in, pay you your four years' salary and save my business rather than continue you in charge for four years, because by that time I shall have no business to save." This is the situation that we are in to-day, and where our friends will land us by the time their four years are up is more than we can tell.

But the worst feature of this budget is that it interferes with and annoys all business. This three cent stamp on cheques is only a small thing, but still it is very annoying and hinders business, and the six cents on every hundred dollar cheque is a tremendous tax on business. As I said, moreover, there is this six per cent sales tax and three per cent excise tax in addition to the regular tariff and the dumping duty imposed in a great many cases on top of that. Is it any wonder that business to-day is languishing and that our farmers and fishermen cannot carry on?

Our friends down in the far corner of the house have introduced a subamendment. That subamendment wipes out the amendment which has been moved by our good friend from Shelburne-Yarmouth (Mr. Ralston): If our friends had offered a subamendment amending our amendment there might have been some chance of our supporting it. But when they introduce an amendment which simply wipes out the amendment moved by this side, it is impossible for them to expect

us to support it. They go on to say that they are going to restrict national production. I am not altogether clear as to what their proposal is. Do they propose to restrict the output of farm products? Do they propose to restrict the production of other commodities? Just what their resolution means along that line is something in regard to which I must say I am not altogether clear. Then, regarding the financial system, they say they are going to nationalize it. That may mean doing away with our present banking system and establishing something else in the way of control of our monetary system. These are very far-reaching reforms which would need to be given a good deal of study before they could be considered by this house and given to the public as legislation. Hon. gentlemen claim that money at the present time does not begin to compare with what it was worth when the debts were created. I do not suppose it is any fault of the present banking system if debts were created when wheat was $3 a bushel or when potatoes were selling at $2 and $3 a bushel, whereas now these commodities are worth so very little. That is a condition that has been brought about, I claim, more by the trade policies of this government than, possibly, by the monetary system; and to enter upon reforms such as our friends have advanced is, in my opinion, going a long way. However, there may be a good deal of merit in the sub-amendment, and, as I said, if it had been moved as an amendment to the amendment and not for the purpose of wiping out the amendment, we might have been able to support it. But under present conditions I am afraid that we cannot give it our support.

Another thing: I am surprised that our hon. friends, who are very strong on low tariffs and who back in 1921, I remember, were almost for free trade, have apparently to-day turned their backs on that policy, and now the very thing that we propose in our amendment they refuse to accept. They say, "No; we will wipe that out altogether; we will not support it." I do not know whether they have changed their ideas in that regard and now favour a higher tariff. I do not know just what their position is.

Mr. SPEAKER: The hon. member's time is up.

On motion of Mr. Duranleau the debate was adjourned.

On motion of Mr. Rhodes, the house adjourned at 10.45 p.m.

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Wednesday, April 20, 1932

The house met at three o'clock.

REPORTS OF COMMITTEES

Second report of the select standing committee on miscellaneous private bills.—Mr. Stinson.

First report of the joint committee of both houses on the printing of parliament.—Mr. Robinson.

NEW MEMBER INTRODUCED

Percy G. Davies, Esquire, member for the electoral district of Athabaska, introduced by Right Hon. R. B. Bennett and Hon. Hugh Guthrie.

UNEMPLOYMENT AND FARM RELIEF

Hon. W. A. GORDON (Minister of Labour): I desire to lay on the table of the house orders in council Nos. 892, 893, 894, 895, 896 and 862 passed pursuant to the Unemployment and Farm Relief Act, 1931, and the Unemployment and Farm Relief Continuance Act, 1932. All these orders refer only to the payments of money.

QUESTIONS

(Questions answered orally are indicated by an asterisk).

BEAUHARNOIS POWER PROJECT

Mr. MACKENZIE (Vancouver):

1. Have any orders in council been passed by the federal government with respect to the Beauharnois power project since August 3, 1931?
2. If so, what are the dates and numbers of such orders in council?
3. Have any moneys been advanced to the Beauharnois Power Corporation or Associate Company by the federal government since August, 1930?
4. Have any advances made by any chartered bank of Canada to such corporation been guaranteed by the federal government, since August 7, 1930?
5. If so, by which banks were such amounts advanced, and what were the amounts?
6. What was the nature of the guarantee given?
7. What was the authority for such guarantee?

Mr. MACKENZIE (Vancouver): Question No. 1 on the order paper was fully answered the other day by the Prime Minister. I should like to ask a supplementary question regarding the assurance mentioned as having been given to the banks. Were those assurances verbal or in writing?

Mr. BENNETT: They were in writing in part, and I think the last two or three have been merely verbal assurances that the same provisions would apply. Without looking at the record, that is my memory.

Mr. SPEAKER: Answered.

CUBAN POTATO MARKET

Mr. BOULANGER:

1. Has the government received a request from a group of farmers of New Brunswick, in connection with a reciprocal trade treaty between Cuba and Canada with a view of creating a market for Canadian potatoes?
2. If so, will the government grant said request?

Mr. CAHAN:

1. Yes.
2. The matter is under consideration.

*MANITOBA SAVINGS OFFICE

Mr. BEAUBIEN:

1. Did the Manitoba government ask the Dominion government for assistance for the province of Manitoba savings office?
2. If so, what was the attitude of the Dominion government?

Mr. BENNETT: I think that question was answered yesterday.

Mr. BEAUBIEN: No, the question is not answered. I read the statement of the Prime Minister in yesterday's Hansard, and I can find no answer. My opinion is that the provincial government—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The hon. member is not in order.

Mr. BEAUBIEN: Surely I am in order, if the Prime Minister did not answer the question. Speaking to a point of order, if the Prime Minister makes a statement with regard to a question on the order paper I have a right to say whether I agree to the dropping of that question.

Mr. STEVENS: Bring it up on the orders of the day.

Mr. BEAUBIEN: Surely a member of parliament must have some rights in this house. It is a very simple question, and all the Prime Minister has to say is yes or no.

Some hon. MEMBERS: Order.

Mr. SPEAKER: The question was answered yesterday by the Prime Minister.

[Mr. I. A. Mackenzie.]

Mr. BEAUBIEN: But, Mr. Speaker, it was not answered.

Some hon. MEMBERS: Order.

Mr. BEAUBIEN: The answer to my question is not contained in the remarks made yesterday by the Prime Minister.

Mr. SPEAKER: In my opinion the question was answered. Further, the second section of the question is improper. It reads:

2. If so, what was the attitude of the Dominion government?

That is not a proper question to put to the government.

Mr. BEAUBIEN: Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. BEAUBIEN: I have some rights in this house.

Mr. SPEAKER: What is the hon. member's point of order?

Mr. BEAUBIEN: My point of order is that this question was allowed to go on the order paper, and has been there for several days—probably a week. If the question is out of order, why was it allowed on the order paper?

Mr. SPEAKER: That is an unnecessary question, and one I do not propose to answer.

DALHOUSIE—MIGUASHA FERRY SERVICE

Mr. MARCIL:

1. On whose recommendation was the subsidy paid for an interprovincial ferry service between Dalhousie, New Brunswick, Miguasha and Carleton, Quebec, discontinued?
2. Has any recommendation been made to vote this subsidy for this year, by whom and what decision has been arrived at?

Mr. STEVENS:

1. No recommendation was received for the discontinuance of this subsidy. It was, together with several other subsidies, discontinued on account of the urgent necessity for economy, and the fact that traffic returns furnished by the contractors indicated that the average amount of traffic carried per trip was so small that it did not justify the continuance of the subsidy.

2. Yes, by Dr. E. Paquet of Bonaventure and Mr. Max Cormier, M.P. (Restigouche-Madawaska). For reasons stated above it is not proposed to continue this subsidy.

CANADIAN NATIONAL STEAMSHIPS—STEVEDORING AT QUEBEC

Mr. LAVERGNE:

1. Have tenders been called by the Canadian national steamships for the stevedoring at the port of Quebec?

2. If so, who were the tenderers?
3. Was contract given, and, if so, to whom?
4. Was lowest tender accepted?
5. If not, why?
6. Was said contract awarded without tender?
7. Was tender accepted submitted after the closing day for the opening of tenders had elapsed?

Mr. MANION:

1. Yes.
2. Eastern Canada Stevedoring Company, Albert G. Baker Limited.
3. Yes; Albert G. Baker Limited.
4. Yes.
5. See answer to No. 4.
6. No.
7. No.

GRAIN SHIPMENTS THROUGH CANADIAN PORTS

Mr. VENIOT:

1. What quantity of Canadian grain was shipped through Canadian ports during the calendar year 1931?
2. What quantity of Canadian grain was shipped through American ports during the calendar year 1931?

Mr. STEVENS:

1. Canada's domestic exports of grain to overseas countries via Canadian sea or river ports during the calendar year 1931, were:

	Bushels
Barley	17,571,853
Oats	10,190,460
Rye	1,675,749
Wheat	123,996,293

2. Canada's domestic exports of grain to overseas countries via the United States during the calendar year 1931, were:

	Bushels
Barley	6,583,652
Oats	926,571
Rye	1,997,132
Wheat	65,879,549

PIG IRON PRODUCTION IN CANADA

Mr. EDWARDS:

1. How many tons of pig iron (all grades) were produced in Canada in 1929, 1930 and 1931?
2. How many tons of pig iron (all grades) were imported into Canada from: (a) the United States of America; (b) from England; (c) from all other sources, during 1929, 1930 and 1931?

Mr. STEVENS:

1. Canada's production of pig iron by grades for the calendar years 1929, 1930 and 1931, was:

Grades	1929	1930	1931
	(Tons of 2,240 pounds)		
Basic	770,478	494,231	311,850
Foundry	221,644	193,074	80,892
Malleable	88,038	59,873	27,296
Total	1,080,160	747,178	420,038

2. No statistics available as to Canada's imports of pig iron by grades. During the calendar years 1929, 1930 and 1931, Canada's total imports of pig iron were:

Imports from	1929	1930	1931
	(Tons of 2,000 pounds)		
United States	25,433	11,650	3,851
United Kingdom	9,692	2,725	4,526
Other countries	1,329	905	485
Total	36,454	15,280	8,862

TOBACCO IMPORTS

Mr. FERLAND:

What were the tobacco imports, to Canada, from all countries during the years 1929, 1930, 1931, and January, February, and March, 1932?

Mr. STEVENS:

Canada's total imports of tobacco from all countries during the calendar years 1929, 1930 and 1931, and for the months of January, February and March, 1932, were:

Years	Pounds	$
1929	18,189,938	7,709,414
1930	17,862,025	7,048,893
1931	14,645,210	5,102,930
January, 1932	823,792	287,274
February, 1932	1,024,692	298,331
March, 1932	798,694	338,111

UNEMPLOYMENT RELIEF—PICTOU COUNTY

Mr. DUFF:

1. What amounts were granted and spent for highways in the county of Pictou, in the province of Nova Scotia, under the Unemployment Relief Act?
2. Who was the foreman employed in each case?

Mr. GORDON:

1. By agreement between the Dominion government and the province of Nova Scotia, under the provisions of the Unemployment and Farm Relief Act, 1931, the Dominion government will contribute $12,534.51 to the construction of highways in Pictou county. See schedules 113, 144 and 146, pages 9, 10 and 11

of Report of Dominion Director of Unemployment Relief, tabled March 9, 1932, for details. No accounts have been received from the province yet in respect of these works.

2. The work above referred to is carried out by the province, and the Dominion government has no information regarding the foremen employed.

QUESTION PASSED AS ORDER FOR RETURN

CACOUNA, QUE., INDIAN AGENT

Mr. POULIOT:

1. Has the government been asked to authorize an investigation for political partisanship against Jos. Berube, Indian agent, Cacouna agency, Quebec; if so, by whom?

2. Who mentioned to the minister for the first time in this case the name of the investigator to take charge of the said investigation?

3. Where, at what date and before whom was the first application of Alexis Michaud for being appointed Indian agent at Cacouna, Quebec, declared?

4. Was there another application to that position filed by the said Alexis Michaud?

5. If so, at what date, where and before whom was said new application by the said Alexis Michaud declared?

6. At what dates, where and before whom were the applications of Messrs. J. Cléophas Sirois, David Lebel and John Dunnigan, candidates to the position of Indian agent at Cacouna, declared?

7. Where and at what dates were John Dunnigan, David Lebel, Alexis Michaud and J. Cléophas Sirois interviewed for the first time for the position of Indian agent at Cacouna by a representative or official of the Department of Indian Affairs?

8. At what date was Alexis Michaud engaged under the thirty-day clause as Indian agent at Cacouna, Quebec?

9. At what date was the temporary certificate issued in his favour by the Civil Service Commission, and for how long?

10. Did that temporary certificate have a retroactive effect?

11. If so, for how long?

12. Who recommended Alexis Michaud to the government as Indian agent at Cacouna, and at what date?

UNOPPOSED MOTIONS FOR PAPERS

BARSS' CORNER, NEWBURN, MAIL CONTRACT

Mr. DUFF:

For a copy of all letters, telegrams, memorandums, reports, copies of tenders, and other documents relative to and exchanged between the Post Office Department or the minister or any of its officials and any person or persons in Nova Scotia regarding the mail contract which expired in 1931 and which has since been renewed, between Barss' Corner, Nova Scotia and Newburn rural route division; also a copy of all papers and documents as above in connection with tenders for a mail contract between Barss' Corner and New Germany.

[Mr. Gordon.]

BURNT CHURCH WHARF, N.B.

Mr. VENIOT:

For a copy of all paysheets, accounts for materials, and other documents, in connection with work on the wharf at Burnt Church, Northumberland county, New Brunswick.

Mr. STEWART (Leeds): I assume that my hon. friend desires only the expenditures made within the last year. With that amendment I have no objection to the motion.

Mr. VENIOT: Yes.

Motion as amended agreed to.

RETURNED SOLDIER LEGISLATION

On the orders of the day:

Mr. CAMERON R. McINTOSH (North Battleford): Mr. Speaker, on Friday, April 15, I directed this question to the Minister of Pensions and National Health (Mr. MacLaren):

If after further consideration he is now in a position to inform the house and the country whether the government will bring down this session any new or amending legislation concerning returned men.

The hon. minister said he would reply to me early this week. This is Wednesday, so I think I am within my rights in asking him if he has the answer ready to-day?

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): My reply was that I expected to be able to answer the question early next week; that is this present week.

Mr. McINTOSH: Yes, this week.

Mr. MacLAREN: I may inform the hon. member that I have not overlooked his question, but there has been some delay in securing some information. That information is expected within a day or two and then the answer will be given at once.

Mr. McINTOSH: Thank you.

NEW ZEALAND TREATY

On the orders of the day:

Hon. Ian MACKENZIE (Vancouver Centre): May I ask the Minister of Trade and Commerce (Mr. Stevens) if he intends to table the New Zealand treaty during the present session?

Hon. H. H. STEVENS (Minister of Trade and Commerce): I shall be able to give my hon. friend a definite answer in a day or two.

Mr. MACKENZIE (Vancouver): Thank you.

PRIVILEGE—MR. BEAUBIEN

On the orders of the day:

Mr. A. L. BEAUBIEN (Provencher): I rise to a question of privilege, Mr. Speaker. In view of Your Honour's ruling this afternoon with respect to question No. 6 standing in my name on the order paper, suppose I present a question to the Clerk of the House for him to place on the order paper, where am I to ascertain whether my question is within the rules after it has been accepted by the officials of the house and allowed to remain on the order paper for three or four weeks?

Mr. SPEAKER: I would suggest that the hon. member study the rules of the house.

Mr. BEAUBIEN: I desire to thank you, Mr. Speaker, for your information.

Mr. SPEAKER: That is entirely unnecessary.

Mr. BEAUBIEN: May I say that I am not the one who violated the rules; the officers of the house are the offenders, they having allowed the question to remain on the order paper.

Mr. SPEAKER: The hon. member is not accused of violating any rules. I gave my ruling in respect to question No. 6 and I do not propose to enter into any discussion with him with respect to it.

Mr. BEAUBIEN: Mr. Speaker—

Some hon. MEMBERS: Order.

Mr. SPEAKER: The question is no longer on the order paper.

Mr. BEAUBIEN: Thank you.

MONTREAL POSTAL TERMINAL

On the orders of the day:

Hon. FERNAND RINFRET (St. James): Mr. Speaker, I should like to renew the question to the Minister of Public Works that I put to him earlier in the session. Has he now any information to give the house concerning the building of the new postal terminal in Montreal? If I am in order, I would urge that the government proceed with the work as soon as possible.

Mr. STEVENS: You are not in order.

Hon. H. A. STEWART (Minister of Public Works): I am sorry that I cannot give my hon. friend any more definite information. He has no doubt observed an item in the estimates that would be applicable to this work, but whether we will proceed with it this year or not is still undecided.

PRIVILEGE—MR. DICKIE

On the orders of the day:

Mr. C. H. DICKIE (Nanaimo): Mr. Speaker, I rise to a question of privilege with respect to some impressions which may have been conveyed to the house in a speech made by the hon. member for New Westminster (Mr. Reid) yesterday.

Some hon. MEMBERS: Order.

Mr. DICKIE: In dealing with an excerpt which I read from the report of the commission inquiring into unemployment relief matters in British Columbia he said:

> The hon. member for Nanaimo (Mr. Dickie) saw fit to read a report which purported to emanate from Victoria.

Mr. SPEAKER: Order. I do not think the hon. member is in order in treating that as a question of privilege. He is contradicting a speech made by another hon. member, and, as I see it, this is not in any sense a question of privilege.

Mr. DICKIE: It is a question of personal privilege, Mr. Speaker, in that he claims I misrepresented matters.

Mr. SPEAKER: If the hon. member for Nanaimo wishes to correct something said by himself—

Mr. DICKIE: Not at all, Mr. Speaker. I wish to correct something said by the hon. member for New Westminster.

Mr. SPEAKER: That is not a question of privilege.

Mr. BENNETT: Something said about himself.

Mr. DICKIE: Am I to understand that I may proceed?

Mr. SPEAKER: If the hon. member is making a statement to the house that another hon. member said something with which he does not agree—

Mr. CAHAN: It is something personal with respect to the hon. member for Nanaimo.

Mr. SPEAKER: Is it something imputing impropriety to the hon. member?

Mr. DICKIE: If the hon. gentleman made a personal attack upon myself, may I not deal with it upon a question of privilege?

Mr. SPEAKER: If the hon. member's personal conduct is impugned, I should say it would be a question of privilege; but if it is merely a difference of opinion on a matter of policy, or as to what occurred in British Columbia, that is certainly not a matter of privilege.

Mr. DICKIE: The member for New Westminster left the impression with the house that I had—

Some hon. MEMBERS: Order.

Mr. DICKIE: —read a report purporting to emanate from Victoria, and that I used that document in order to justify an attack on hon. members opposite. I wish for the information of that gentleman to say that the excerpt I read was from a report of the commission which was handed to me at noon on the 14th of this month by a minister of the British Columbia cabinet.

Mr. MACKENZIE (Vancouver): It was not the actual report presented to the legislature at Victoria.

Some hon. MEMBERS: Order.

Mr. DICKIE: That has been spread on the journals of the house.

Some hon. MEMBERS: Order.

Mr. SPEAKER: I cannot agree that this is a question of privilege. Contradictions of statements made on the other side cannot be treated as questions of privilege.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Tuesday, April 19, consideration of the motion of Hon. E. N. Rhodes (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Ralston, and the proposed amendment to the amendment of Mr. Gardiner.

Hon. ALFRED DURANLEAU (Minister of Marine): Mr. Speaker, at this late stage of a long debate I must crave the indulgence of the house for the few minutes I propose to take in discussing some of the conclusions which I have reached after perusing the budget presented by my hon. colleague the Minister of Finance (Mr. Rhodes). First, I think this hon. gentleman ought to be congratulated very warmly on his success, since assuming his high office, in handling the finances of the country. I think the Prime Minister could not have made a better choice for the position of Minister of Finance. I gladly join with those who, without consideration of party, have congratulated the Minister of Finance on the frankness and courage, with which he has dealt with the economic situation. It is a good sign for the future when a man like the present minister brings courage and frankness to bear on the political affairs of this country, for they are virtues which should be praised and commended.

Of course, when I say that the minister has been praised from all sides of the house and from all quarters of Canada I do not mean that he has been greatly praised by hon. gentlemen opposite. Some hon. gentlemen, as a matter of fact, have brought forward fair criticism; others criticized not quite fairly, while in some cases there has been criticism of a petty character. One naturally expects, however, in times such as these, that hon. gentlemen will advance their political ideas and parade their wisdom in an effort to serve narrow and selfish party interests. We could not expect anything else from hon. gentlemen opposite after the debate in connection with unemployment which lasted for more than three weeks. That was a stubborn opposition with regard to a measure designed to bring relief to the unemployed of this country, including those in the constituencies represented by hon. gentlemen opposite, and that dispute would have lasted more than three weeks if this government had not been forced by public opinion to end it by the use of closure.

Hon. gentlemen opposite seem to forget or to ignore the fact that this country is passing through a world economic crisis. They seem to forget also that this government has endeavoured, since it has been in power, to cope with difficulties and conditions which are partly the outcome of the economic fallacies, the indifference and the lack of policy of hon. gentlemen opposite. A double remedy has been presented in the budget speech; first it is proposed to raise funds to offset the decline in our national revenue, and then it is proposed to safeguard Canadian industry. I have already said that the present crisis is world-wide and could not have been prevented entirely by any government, but it is true also that hon. gentlemen opposite could have done something to lessen its severity, and perhaps they could have refrained from aggravating the situation as it has been aggravated through their indifference, their lack of foresight and their policies in general.

During this debate, and during the debate on the unemployment question as well, many hon. members opposite have addressed the house. They have stated that the unemployment situation is very acute, and that is quite true. It has been very acute for some time, but I believe hon. gentlemen opposite have been partly responsible for the condition which has existed in this country for the last couple of years. Who in this house does not remember the immigration policy of hon. gentlemen opposite? Who does not remember that in the last two or three years of their régime hundreds of thousands of immigrants poured into this country? Who does not remember that in the fall of 1929 a delegation from the All-Canadian Labour Congress waited on the Prime Minister and the Minister of Labour of the day and begged them to stop the influx of immigrants with its consequent effect on the labour situation here. Every member of the house remembers the answer given by the then government; in substance it was that it was not wise to cry "wolf" when no danger was in sight, that the unemployment referred to was strictly of a seasonal character, that the same conditions recurred every autumn and that the immigration complained of, far from providing competition for Canadian labour, in fact added to our human capital by increasing the number of consumers and at the same time increasing our producing capacity.

So the immigrants continued to pour into Canada at the rate of over ten thousand per month. If we look at the statistics we see that during the fiscal year ending March 31, 1930, the number of immigrants who came to Canada was 163,286, while during the first eight months of 1930, as many as 80,000 immigrants entered Canada. The doors of the country were kept wide open to foreign labour while Canadians were seeking work and while the 125,000 young Canadians who each year come to maturity were claiming in vain their right to a place in the labour market of their own country. The heads of our families were concerned with the establishment of their sons and daughters, at a time when the money earned by them, by our own people was being spent in the recruiting, the transportation and the establishment of countless foreigners.

My right hon. friend the leader of the opposition (Mr. Mackenzie King) might answer that he stopped immigration. It is true that he did stop immigration, but that was only done because of the pressure of public opinion, and he did not take that step until two or three weeks before polling day. And, if I remember rightly, on the very same day, the leader of the opposition was announcing to the country, at a meeting in western Ontario that he had stopped immigration there landed at Halifax over one thousand immigrants from southern Europe. These people, said the minister of the day, will be consumers. Yes, they became consumers; but it was not long before the authorities, provincial, federal and municipal, had to supply these consumers with some food to consume. Firmly seated in his place in the Quebec bloc of sixty-one members, who were willingly allowing their province to be sacrificed, what was in the hon. gentleman's mind? Happily, the province of Quebec has reacted; the mother province has found its voice again in this house; for at the election that followed in 1930 the Conservative representation in this parliament was increased sixfold. This change came at a very opportune time; it came at the very moment when the country had decided to abandon theories, to face facts, and to place at the head of its administration a man of courage a man without any fear. The country had come to the conclusion that we had to intensify a fiscal policy which would promote the development of our national industries and prepare the way for the rehabilitation of trade and for renewed prosperity. Let us rejoice, Mr. Speaker, that the old province of Quebec is sharing with the others in the work of renovation imposed by conditions and undertaken by this government. It was indeed the province of Quebec that profited most by the protective policy propounded by this government. You will allow me to mention more particularly the province of Quebec, my native province, because I find there a field for better and more ready observation. And from this observation I can say that we in the province of Quebec have greatly profited by the policy of this government.

In our province, as in the other provinces of the dominion, industry must be considered in a dual aspect. There are what I may call the primary industries and there are the secondary. The province of Quebec is remarkable for the development of a small number of secondary industries such as foodstuffs, clothing and other industries producing goods both for the home and for the foreign market. I am leaving aside the pulp and paper industry and the large power developments, because they belong more to the primary class, inasmuch as their products are the raw materials that are used by other industries. But let us consider some of the secondary industries of the province of Quebec, such as clothing, tobacco, shoes and

dairy products. Not only have the textile and clothing industries maintained their level during the two years that we have been in power, but the imports of raw cotton have increased in this country lately, especially during the last six months. According to the statistics, during the month of February last 7,074,000 pounds were brought into this country as against 6,527,000 pounds in the month of January, showing an increase at the beginning of this year indicative of greater activity.

Mr. ST-PERE: Is my hon. friend ready to conclude that this gives more work to employees in the factories?

Mr. DURANLEAU: I hold that if the cotton industry is so encouraged as to find it necessary to increase these imports of raw cotton, the result will be more work for Canadian labour.

Mr. ST-PERE: There never was a time when things were so slack in the cotton manufacturing industry.

Mr. DURANLEAU: Surely these imports of raw materials are an indication that in a very short time there will be an increase in labour.

Mr. ST-PERE: They are buying in a cheap market.

Mr. DURANLEAU: This tendency to increase the imports of raw materials will mean in the very near future more labour for the people of this country.

Mr. ST-PERE: I hope so.

Mr. DURANLEAU: It does not appear that you do. As to the shoe industry, which is almost entirely in Quebec, it is to-day normal, and I think I can safely say that the industry is showing signs of renewed prosperity. Our importations in that line have become almost insignificant, for they do not represent to-day more than five per cent of our consumption. The same condition prevails in the tobacco industry. Not only has our consumption of the domestic product increased, but Canadian tobacco has become an important export. When last fall I had an opportunity of visiting the harbour of Liverpool, it was my privilege to go through the tobacco warehouses in that great centre of distribution for the empire and particularly for the mother country; and while going through these warehouses I was proud to see among the bundles of tobaccos from various countries, so many bundles of good Canadian tobacco. On inquiry I was told by those in charge that this Canadian tobacco was highly praised and that its use in England was widespread. They told me that in the near future if we could send more tobacco they would be in a position to distribute and sell it in England. It is also gratifying to know that eighty per cent of the tobacco consumed in Canada has been grown on Canadian soil.

Now I come to another industry which is very important, the dairy industry of Canada. We must not forget that under the régime of our friends opposite Canada imported considerable quantities of butter. Imagine a farming country like this importing, under the administration of hon. gentlemen opposite, and particularly in the year 1930, because of their indifference to the interests of dairying in Canada, butter amounting in value to $41,-919,372. Imagine $41,000,000 of Canadian money being sent to other countries to purchase butter for a farming country!

Mr. POULIOT: Will my hon. friend permit a question? Is he in favour of higher prices for butter—

Mr. SPEAKER: Unless the hon. member who is speaking indicates, by taking his seat, his willingness to permit an interruption, the hon. member has no right to interpose a question.

Mr. POULIOT: I am just asking my hon. friend if he agrees—

Mr. SPEAKER: The hon. member has not signified his willingness to permit a question to be asked. That is done by the hon. member taking his seat, and he has not done so.

Mr. DURANLEAU: I am against the importation of butter into Canada. I am proud to be able to say that under the present régime Canada is again an exporting country as far as butter is concerned.

Mr. POULIOT: Is my hon. friend unwilling to allow me to ask a question?

Mr. DURANLEAU: Oh, no.

Mr. POULIOT: Is the hon. member in favour of higher prices for butter with importations, or lower prices with no importations?

Mr. DURANLEAU: I am against the importation of butter into this country, and I am in favour of higher prices for butter. Once the present crisis has passed, better prices will be received for our butter. There is indication that the present consumption of butter in Canada is one hundred per cent of the Canadian product.

I do not desire to spend too much time dealing with these questions, but I must direct the attention of the house to the fact that

progress has been made in the general activity of this country. Since this government came into power nearly 150 new industries have been established in the course of a few months, and I am sure that when the present economic crisis has passed, the protecting policies of this government will bring further prosperity to Canada. There are many great enterprises, born of necessity, which must be taken care of. We must consider the reorganization of our national ports, the improvement and completion of our waterways and highways, the continuance of scientific research, the safeguarding of our present markets and the opening up of new ones. These questions cannot be settled over night, as has been suggested by hon. friends opposite who seem to be still under the influence of the dream which they must have had during their long sleep of twelve years while they were in power.

There is one question with which I desire to deal, the St. Lawrence deep waterway. The present indications are that this great undertaking is in danger of being made a political football by hon. friends opposite. Strange voices and strange arguments are heard, particularly in my own province, but I want to say to those hon. members who fear that certain rights may be jeopardized that this government will never relax its vigilance over the safeguarding of Canadian interests and rights, no matter where those interests may be found, in Quebec or Ontario, at Montreal or the head of the lakes. The maintenance of the St. Lawrence river as a national route, the protection of levels during the low-water season, the safeguarding of navigation—which includes the dredging of a thirty-five foot channel between Montreal and the sea—are questions which will be always given consideration by this government. But party struggles and party strife at times will make impossible the discussion of the most important questions strictly on their merits, questions which affect the peace and life of the nation. How can this evil be cured? I believe the best remedy is to bring these matters into the daylight where they can be properly discussed.

Some time ago the hon. member for Dorchester (Mr. Gagnon) treated with great justice the actions of a former minister of the crown, but I intend to direct the attention of this house to the kind of tactics employed at Three Rivers during the elections of 1931. During last session I referred to the utter failure of these doubtful tactics, especially to the use of the war scare during 1930. Referring to the Prime Minister (Mr. Bennett), La Chronique, a virulent Grit organ, said that "this potentate" was "the enemy of our language and of our religion." Imagine the Prime Minister of this country being the enemy of French Canadians and of their religion! Another statement by this paper was:

> Remember conscription. French Canadians avenge yourselves next Monday. Victory is at our door.

Luckily the victory went to another door, the door of the great Conservative party and its great leader. I have read the speeches made by some of our Liberal friends during that campaign, and I find that the hon. member for Hochelaga (Mr. St-Père) said:

> Bennett says that only those workers who are willing to work shall have employment. What does that mean? It will be like the dole in England. They will send your sons, our French Canadians, to work on the roads of new Ontario at mean wages.

Mr. ST-PERE: Who is going to bulldoze me by making me sit down?

Some hon. MEMBERS: Order.

Mr. ST-PERE: I am rising to a point of order.

Mr. SPEAKER: What is the point of order?

Mr. ST-PERE: I deny completely—

Mr. SPEAKER: That is not a point of order.

Mr. ST-PERE: A question of privilege; call it what you like, Mr. Speaker. During every election campaign in which I have taken part—

Some hon. MEMBERS: Order.

Mr. SPEAKER: There is no question of privilege when the hon. member refers to what his conduct has been in previous elections.

Mr. ST-PERE: I deny completely—

Mr. SPEAKER: Order.

Mr. ST-PERE: Words are being put in my mouth—

Mr. SPEAKER: There is a way of dealing with hon. members who do not obey the rule, and I should regret to have to take that course.

Mr. DURANLEAU: I do not desire to go any further—

Mr. ST-PERE: That is the kind of argument to use.

Mr. DURANLEAU: —in discussing the methods used in that campaign by hon. mem-

bers opposite. I could cite other speeches which were printed in that organ of the Liberal party but I shall not do so at this time. It is time to cease those war scares and appeals to prejudice. I hope my hon. friends opposite realize that by such appeals they gained no ground in the election and that they should revert to real discussion regarding the merits of the question and let the best cause win.

Mr. BOUCHARD: Is the minister setting the example?

Mr. DENIS: Begin by setting the example.

Mr. ST-PERE: He has been talking conscription ever since he has been in the house.

Mr. DURANLEAU: We have to correct the example set by our hon. friends.

Mr. ST-PERE: Talk politics.

Mr. DURANLEAU (Translation): Mr. Speaker, I trust that now, after the very courteous attention that has been given me, I may say a few words in a language with which I am more familiar, the language of France,—

Mr. BARRETTE (Translation): Hear, hear.

Mr. DURANLEAU (Translation): —and this, for three reasons: first, to call attention, in a practical way, to the official status of the French tongue in our parliamentary debates and in national affairs,—

Mr. GAGNON (Translation): Hear, hear.

Mr. DURANLEAU (Translation): —next, in order to reply, if time permits, to certain statements of the opposition made in French; and lastly to congratulate the members on both sides of the house who, since the opening of the present session, have given our debates that most interesting bilingual appearance that we have noticed. It is willingly conceded that two essential traits of the French mind are clarity and reserve. It is quite true that in political debates this clearness is sometimes obscured. It may well be that the words I have just spoken in the language of the majority provide a striking illustration of this fact. But always, on every occasion, these two qualities are to be found in the sane judgment of the French population of this country, judgment which stands guard over our ideals and our traditions.

Mr. Speaker, I desire to congratulate particularly the hon. Postmaster General (Mr. Sauvé) on the vigorous speech he delivered in this house yesterday,—

Mr. BARRETTE (Translation): Hear, hear.

Mr. DURANLEAU (Translation): —a speech that was right to the point, that showed things in their true light, and gave our hon. friends of the opposition to understand that we are quite capable of answering them.

Mr. GAGNON (Translation): Hear, hear.

Mr. DENIS (Translation): What a success!

Mr. DURANLEAU (Translation): I also wish to congratulate our friends on this side of the house who delivered their maiden speech within the last few days: the hon. member for Shefford (Mr. Tétreault) whose first oratorical effort was eagerly welcomed by the entire house; and the hon. member for Pontiac (Mr. Belec) who, by the eulogy of his constituency, gave to the house and to the entire country a lesson in patriotism, as he recalled with what courage the citizens of Pontiac are facing the present crisis.

Mr. GAGNON (Translation): Hear, hear.

Mr. DURANLEAU (Translation): His words gave us some comfort after the depressing comments of certain opposition members, in particular of the hon. member for St. Johns-Iberville (Mr. Rhéaume) in his speech on the budget.

Mr. BARRETTE (Translation): He is sorry now.

Mr. DURANLEAU (Translation): May I be allowed to touch on a question he mentioned concerning certain works undertaken by the federal government in the county of Chambly-Verchères that I have the honour of representing in this house. The hon. member for St. Johns-Iberville has forgotten certain essential facts which would assuredly have changed his way of thinking in this matter. The hon. member for St. Johns-Iberville seems to think that unemployment relief is something to be distributed equally among the different counties; although it is well known that this relief is to be granted according to the needs of different parts of the country and the extent of unemployment there.

Mr. GAGNON (Translation): Hear, hear.

Mr. DURANLEAU (Translation): Everybody knows that it is our large population centres and their neighbourhoods which are suffering most from unemployment; it may well be even that conditions are more distressing around the fringe of the big cities because since the crisis became acute all large

cities have banned outsiders from employment within their limits, thus affording protection to their own people. That is precisely what happened in an important part of Chambly-Verchères that I represent: Longueuil, Montreal South, Grenfield Park, St. Maxime, Springfield, MacKayville, and all small towns built along the south shore of the St. Lawrence, inhabited by people of the working class who earned their living in Montreal proper, and who, since last fall, have been excluded from employment within that city's limits. These people had to be helped; and I think my hon. friend from St. Johns-Iberville was not very generous-minded towards the workers of my riding; I will go further and say that he was unjust towards them when he suggested that the small amount of relief granted them was excessive.

If I cast a glance at our statistics, Mr. Speaker, I find that the constituency of my hon. friend from St. Johns-Iberville did not fare too badly. The house was not told by him that, thanks to the Unemployment Relief Act, his county had benefited from municipal works to the tune of $110,000, 25 per cent of which, or $27,500, has been, or will be, paid by the dominion treasury. Neither during the present debate nor in the course of the debate on unemployment, did our hon. friends of the opposition tell the house anything of what the government has done for the unemployed of this country and of the province of Quebec in particular. On looking up the statistics what do we find? We find that throughout the province relief has been given to those out of work: the government has approved and authorized municipal works costing $14,612,000 and has paid out as its share of the cost the sum of $4,643,000. We find that to this expenditure should be added $686,000 spent for federal undertakings under the Department of Public Works; $125,000 by the Department of Railways and Canals; $25,000 by the Battlefields Commission; $40,000 by the Department of National Defence. Adding all these up we have a total of $15,488,836 expended on works done, or being done, in Quebec territory, thanks to the present government's unemployment policy.

As regards the distribution of their funds our friends of the opposition have no reason to complain, that I can see. Montreal has received, or will receive from the federal government, $1,200,000; Quebec, $304,000; Three Rivers, $125,000; Sorel, $40,000; Thetford Mines, $60,000; Shawinigan Falls, $50,000; Sherbrooke, $80,000; Chicoutimi, $250,000. The constituency of Chicoutimi alone has received $250,000 from the federal government, for purposes of unemployment relief.

To sum up, these relief works were divided among 494 municipalities and 84 provincial counties in Quebec province. And as to those counties where the municipal population is less numerous we find that Beauce got, or will get, $35,000 from the Dominion government; Bonaventure, $15,000; Gaspe, $24,500, Labelle, $13,500, Lotbinière, $10,000, Portneuf, $4,000 and Témiscouata, $12,250.

Mr. BARRETTE (Translation): It is worth noting that all these counties are represented by Liberals.

Mr. ST-PERE (Translation): One would think they were showering us with presents.

Mr. DURANLEAU (Translation): I do not wish to take up more time than is necessary in showing what we have done in Quebec to relieve unemployment. Our friends whose counties were favoured, as I have just pointed out, might at least have made some mention of the fact before this house and given credit where credit is due. But no, Mr. Speaker, these gentlemen preferred to attack the leader of the government. But I hope the people of Canada when they read these figures will compare the efforts made by the present administration towards improving conditions and hastening the return of prosperity and the tactics, often unfair, always questionable, employed by our friends on the other side to discredit our leaders and discredit the government in the eyes of our country. Such tactics were not very successful in the past. Three Rivers gave its answer—

Mr. ST-PERE (Translation): After you had promised them public works.

Mr. DURANLEAU (Translation): —and, a few moments ago, we acclaimed the young member for Athabaska (Mr. Davies) whose election was another eloquent answer to the unfair tactics of the hon. members opposite.

Hard times may, on occasion, be bad counsellors, more so when opponents seek to destroy public confidence in the country's government; but fortunately, Mr. Speaker, as I have just shown, the confidence that our Canadian people put in our Prime Minister on July 28, 1930, not only has not been destroyed by the attacks of our hon. friends, nor by the hard times through which we are passing, but it has not been the least bit shaken. To-day more than ever Canada puts her trust in our distinguished leader whose prestige commands the attention not only of Canada and of the whole British Empire, but of the entire world, as the time nears for the Imperial conference soon to be held here.

But if hard times can be evil counsellors they also bring lessons of courage to our Canadian citizens. We have the proof of this in the willingness with which our people gladly accept the hardest tasks, the most rigorous measures, because the interests of the country demand it and because each sacrifice reminds us of the country we must save.

Mr. Speaker, it is a pleasure for me to state on the floor of this house that we will continue as in the past, despite the attacks of our opponents, despite the criticisms, never very appropriate, of our Liberal friends, to do our duty; and I have the firm belief that once this crisis is a thing of the past, our policies will give back to this country the prosperity it knew under former Conservative administrations.

Hon. FERNAND RINFRET (St. James): Mr. Speaker, last year, at about this stage of the debate on the budget, I had the privilege of following my hon. friend the Minister of Marine (Mr. Duranleau), and at that time, speaking as a member of the Liberal opposition and following the remarks of the minister as closely as I could, I endeavoured to reply to the stand he had taken concerning many matters. To-day however I do not rise in the same spirit of controversy, my only intention being to exercise my privilege as a member of this house to direct attention to certain economic conditions we in the city of Montreal have to face.

Inasmuch as the minister has brought into this debate rather unexpectedly some ghosts of the late election campaign in the constituency of Three Rivers-St. Maurice, I believe I should be permitted to make reference to that election. I do so diffidently, because I am exceedingly desirous, on account of conditions which are obvious, not to take a stand which might appear to be partisan or actuated by purely political considerations. I was in charge of the activities of the Liberal party during the election campaign in that constituency, and hon. members will recall that the election was won by the very close margin of only thirty-eight votes. Despite that fact, I remained silent and a good loser. I could have brought up many matters and subjected them to the test of public opinion; in fact I could have done so more extensively than the Minister of Marine has done to-day. I believe, however, that political parties must organize and do their work before a verdict is rendered, and when a verdict has been rendered there is only one recourse, namely that of contesting the election. I do not believe in post mortem statements, and did not make any. I accepted the defeat, and although grieved on behalf of the Liberal party I made no comments. Not as a Liberal but merely as a member of this parliament I should like to say that I proved a better loser on that occasion than the Minister of Marine has proved a winner this afternoon.

The hon. gentleman dug up some quotations from local newspapers, and I do not doubt the accuracy of their reports. I must assert, however, that these newspaper comments are but a small part of a very extensively developed campaign; if I were to look up my records I could bring before the house heaps of newspaper clippings concerning the other side of the campaign which would be just as embarrassing as, if not more than, the quotations the minister has given. He has made reference to the hon. member for Hochelaga (Mr. St-Père). In a spirit of justice, and not in one of partisanship, may I say that I have taken part in campaigns in which the hon. member for Hochelaga was interested, and I doubt if any hon. members in either of the larger political parties make public speeches which are as serious, as full of argument and as devoid of prejudice as those of my good friend from Hochelaga.

I should like to appeal to the sense of fairness of the Minister of Marine. He will no doubt admit that during the heat of an election, campaign speakers on both sides make utterances that are regretted at the close of the election. I will not say that such a condition exists more in one party than in another; I would rather take it for granted that such utterances cannot be prevented. I think, however, it is the duty of leaders on both sides to try to control such appeals, to try to stifle them, to try to stop them before the election, and the best treatment to give them after the election is over is merely to forget about them and not to bring them to the floor of the House of Commons of Canada, there to receive great publicity. I think it has been a mistake on the part of members from our province to bring such statements before the house. I recall that some years ago a member from New Brunswick, Mr. Doucet, spent a whole afternoon trying to convince hon. members that the province of Quebec was not able to stage an election on the same high plane as that on which the other provinces carried on their campaigns. As far as I am concerned, not as a Liberal but as a man from Quebec, I deprecate those statements. I think that the Minister of Marine (Mr. Duranleau), a leader in his party, should be very careful to avoid bringing to the notice of parliament an insignificant quotation—an infinitesimal fraction of what was said during

the by-election in Three Rivers—in an attempt to convince this house and the country generally that on that occasion we did not know how to discuss an economic question. My hon. friend knows quite as well as I do that what decided the issue in Three Rivers was the fact that the people wanted public works—they were hungry and unemployed. I do not blame those who voted for the government, because they were simply trying to secure work in order to provide the necessaries of life for their families. Why dig up a few lines in a newspaper or a misquotation of a speech to convince the house that that by-election campaign was not properly conducted? I regret having to speak in this way, for I did not want to make a political speech to-day, but I know that not only the member for Hochelaga (Mr. St-Père) but other members of the Liberal party, including myself, were charged with making statements that we never even dreamed of making. For instance, we were charged with making allusions with respect to the personal character of the Prime Minister. I want to give my word of honour that to my knowledge not one Liberal speaker indulged in anything of the kind, and certainly I did not myself make any such attacks on the Prime Minister. I think the leading men of both parties should at least try to leave these things alone and not attempt to use them as weapons when they speak in this house.

Having made this statement, I desire to discuss the budget, not in detail, but with reference to the present conditions of unemployment, especially in the city of Montreal. I congratulate the Minister of Finance (Mr. Rhodes) on his very fine speech. It was clear cut, and although it was not very pleasant in all its features, there was good reason for everything he brought forward, and certainly he made it very clear that we shall have to practise economy to a very large degree in the coming year. I shall not surprise him when I say that having recently been elected Mayor of Montreal I find that the demand for economy is even stronger there than perhaps it is in the federal field. The difficulty is not that we have to economize, but that at the same time we have to find millions of dollars to house, clothe and feed the unemployed. If that problem was not confronting this country I believe it would be a comparatively easy task for every public body to convince their friends and the public generally of the necessity of retrenchment for a couple of years, and that in this way we would achieve magnificent results. But the difficulty is that at the same time we must find not only thousands but millions of dollars to look after the ever-growing army of unemployed. I am speaking now of my few weeks' experience in office in Montreal. The situation in that city—and I am afraid it is similar in many of our other cities—is perfectly appalling and is much more disquieting than I thought it could be before my election to the mayoralty. Every day in the city hall we have armies of unemployed coming to us, men in the most destitute condition—men who have not worked for a number of months, men who cannot pay their rent, men who have no money left. The condition has become worse for this reason, that some months ago everybody had a little money left, or a friend or relative who could help them, or some piece of furniture that they could sell. To-day all these small resources have been exhausted, and if the situation does not speedily improve the army of the unemployed will be greater next fall than it has been in the past. At the same time, our reserves and means of looking after these unfortunate people have been greatly diminished. That is why I appeal to the government—perhaps I need not—in a perfectly constructive spirit and without the least partisanship, to continue as far as possible their contribution for the relief of unemployment throughout the country. I know what they have in mind, but I would dispel the impression that may be entertained by any hon. member that because the government have given a lot of money for unemployment relief the problem is solved and no further federal assistance is necessary. This is not so. To the best of our ability we must meet that problem as long as it continues with us. I feel the government has gone very far in the way of taxation in some lines, but as a member of this side of the house I shall not reproach the Minister of Finance or the Prime Minister if by taxing incomes more severely, by taxing purchasers through the sales tax, or by any other forms of taxation which this budget provides for, the main object of the government is to find money to contribute further to the municipalities for the solution of the unemployment problem.

A mistake was made—it certainly was a mistake in our city; it may have been made in other cities—as to the character of the works that were undertaken under the unemployment relief legislation. It should have been the prime object of every public body, municipal or otherwise, to undertake work with respect to which as large a proportion as possible of the money spent would have gone directly to the working men. Un-

fortunately in certain towns the authorities undertook to build beautiful edifices or public works of a kind which in the first place involved a large outlay for land and the purchase of very costly materials and a large profit to the contractor. This left only a very small proportion of the funds available for distribution among the working men. I submit that the best way of dealing with the unemployment problem is to undertake work of such a character as to leave as much as possible, say seventy-five or eighty per cent, of the money to be paid over to the working men directly.

Some hon. MEMBERS: Hear, hear.

Mr. RINFRET: I see now there is a tendency to abandon unemployment works altogether and to favour direct relief. There is this to be said about direct relief—the whole of the money goes to those who need it. But I am afraid that there are social and moral objections to the system. If we could have the people work for the money that we give them it would appeal much more to my sense of equity and social economy. But, I repeat, the main problem is to look after those unemployed men. We are on the eve of a date which in the large cities is going to be distressful to many people,—the first of May. As hon. members know, in the large cities tenants move on the first of May. I know as a fact that in the city of Montreal hundreds, perhaps thousands, of families will have to vacate their homes because they have been in arrear with their rent for a number of months, and they have not been able to secure other accommodation because they have no form of security to offer to their prospective landlords. That is why, although the relief program of the government was to have terminated by the first of May, I take this occasion to appeal to the government to yield to the requests that will be made to them to extend their contribution a few months longer. Many projects have been suggested to us to relieve that special feature of the unemployment situation—the renting feature. People have gone so far as to propose a moratorium, stopping the payment of rents for a few months. Obviously this would be unfair, because it would simply improverish this class of people, who certainly have every right to the rents they obtain for their houses. I rather think the public bodies will have to devise some means whereby they can secure some kind of help before May 1, or else they will have to organize a system of shelter for those left without lodging at that time.

[Mr. Rinfret.]

If during this debate I take the stand that we must more and more undertake work in which manual labour will be the main factor, I would remind the house that there are some works so urgent that they should not be disregarded by the government. I remember that during the war in some of the European countries, which were hardest hit by that great catastrophe, there was still a spirit of carrying on and maintaining certain activities not only because in themselves they were useful but also in order to show that the country had the proper spirit and was carrying on with a certain degree of confidence even in that grave crisis. I think the large companies, to the extent of their ability, and especially the governments, should show that same spirit. In this particular I have not been in entire agreement with the present government in connection with some of the decisions at which they have arrived with regard to salaries and especially with regard to dismissals. I believe the view I have expressed should be taken with regard to a certain class of public works which do not come within the category I mentioned but which are necessary and urgent and should be carried on.

My hon. friend the Postmaster General (Mr. Sauvé) is facing me at the moment; one of the works to which I refer is the Montreal postal terminal. I am afraid there has been some disposition on the part of the ministers concerned to pass that question from one to the other. I tried to find out from my genial friend what was to be done. He sent me to the Minister of Public Works (Mr. Stewart); when I went to him he was rather diffident about the whole matter and although he did not say so I felt that he would have been glad to suggest that perhaps I would have been wise to see the Postmaster General. I know that question has been pending for a number of years. I am in a tolerant spirit this afternoon, and I am willing to take my share of the blame for not having put it through before now, but it is sadly needed in Montreal, and I feel that it would not only serve a good purpose in the way of public service but would also provide a great deal of work. Following the remarks I made on the orders of the day this afternoon, I would urge the government to start that work as soon as possible. I do not know if my hon. friend the Minister of Public Works will be in public life for very many years. Personally I would have no objection, but I know he would like to leave his name affixed to some special work, and I think if that terminal in some way could be connected

with him it would be a sweet thought for his old age.

Mr. SAUVE (Translation): The hon. ex-minister has not lost his great imagination.

Mr. RINFRET: I am sorry the Minister of Railways (Mr. Manion) is not present, because I wish to refer to the very unsatisfactory state of the Canadian National terminal in Montreal. There was an amount of $50,000,000 voted not only for the terminal station but for other works throughout the island of Montreal as well, and these works should have been pushed forward with much greater activity than was shown. I will admit that the railway situation to-day might provide some argument in favour of leaving the work in its present state, but I wish I could take the minister to Montreal and show him the huge, ugly excavation that the stopping of this work has left in the very centre of the city. I think that would appeal, as my hon. friend says, to his sense of imagination and to his practical side as well. Montreal was given an opportunity to benefit through the expenditure of a very large sum of money, but that work has been stopped. Now we have had the appointment of a commission to study the railway situation throughout the country; we have not that report, I understand it is not forthcoming and I am afraid it will not be available during the present session, so I fear that no decision will be arrived at by the government in connection with this matter. But I take the stand, and I take it strongly, that the present situation must be remedied. We cannot leave the city as it is at present. This condition is not altogether chargeable to the present government; it is mainly the result of misrepresentations made by former civic authorities of Montreal. I hope it may be that we will have a union station there; the plan may be changed. I may seem to speak in an uncompromising way, but I do demand for the city of Montreal, and in the interests of the proper operation of the railways, and in order to benefit the unemployed, that this work be resumed as soon as possible and that the former program, or one equivalent to it, be followed by the government.

I have only one further word to say, and that is in reference to the coming Imperial conference. I think I voice the feeling of everyone in this country when I say that notwithstanding the political disadvantages which may follow, we all desire that the Imperial conference shall meet with the utmost success. I would suggest to the government—though perhaps they do not need the suggestion—that they approach that conference in a spirit of exchange rather than the spirit of protection which animated the government during the last campaign. They must understand very well that with the crisis as it exists at present one of the surest means of restoring prosperity is to establish a means of cooperation and exchange. If the government can agree on a certain number of exchanges with the different parts of the empire good results will be brought about. I will not point to the fact that in doing so the government will be following our policy more closely than their own; I am not concerned about that at the moment. I do know, however, that if the government could find some means of disposing of our wheat and other agricultural products, at the same time opening our doors to the products of other parts of the empire, they would achieve something of economic advantage to Canada.

I will add only this word: When they are through trading with the empire let them resume trading with the world, as we did in the ten years we were in office. In my opinion the greatest chance of overcoming the present difficulty does not lie in remaining at home and attempting to solve the problem ourselves, but in resuming our relations with the rest of the world in the spirit of confidence and exchange that always exists in years of prosperity, and which is most needed at a time like this.

Mr. JOHN T. HACKETT (Stanstead): Mr. Speaker, there are many topics which have been brought up during this discussion with which I should like to deal; in the remarks of the hon. member who has just taken his seat there were a number of openings for debate not altogether devoid of interest, but since the railway problem surpasses in peril and perplexity all others which are before the country I feel that I should restrict my remarks to this one question.

When the Minister of Finance (Mr. Rhodes) told the house that the financial operations of the year had resulted in an increase of debt of $119,000,000, there was a murmur of dismay from different parts of the house, this notwithstanding the fact that the excess of expenditure over revenue was known, almost to a nicety, to every member of the house who was interested in it. The weekly reports of revenue and the frequent reports of disbursements made it a matter of almost universal information that the ordinary revenue of the year would be entirely inadequate to meet the expenditure. This total of $119,000,000 included $55,000,000 of special ex-

penditure. In this $55,000,000 are $11,000,000 of a wheat bonus and thirty-eight and a fraction millions which went for unemployment and farm relief. There was $44,000,000 of a difference between revenue and ordinary expenditure. There were $17,000,000 of capital expenditures and about $3,500,000 of inactive advances—that is a euphonious way of describing moneys which are paid out, which are never returned and on which interest is never paid.

I said that there was a murmur of dismay and amazement in some parts of the house when the minister announced that the budget of the year before had failed to balance by $119,000,000; but when he told the house that there had been a difference between the earnings and the requirements of the Canadian National Railways of $109,000,000, the house was silent and expressed neither amazement nor dissent. Failure of the government to receive as much as was spent in the financial operations of the year was altogether an extraordinary event; to the same extent it had never happened before, and we all hope it will never happen again. Yet, on the other hand, the requirement by the Canadian National Railways of $109,000,000 from the government was not an extraordinary event. It has become a very ordinary event; it has become so customary that for the past ten or fifteen years we have paid and paid and are continuing to pay, until this has become the major problem of Canada. Yet it seemed to provoke very little interest in the house. I am not sure that all hon. gentleman are aware that in the deficit of $119,000,000 are included, under the maritime freight rates, eleven and a quarter millions which are chargeable to transportation; that there is also chargeable to transportation $1,361,000 which went to the assistance of the Canadian Government Merchant Marine and to the West India service, and a further amount of $6,371,000 capital expenditure, largely on the Hudson Bay railway. Therefore, if the total of these three amounts, $19,000,000, is deducted from the deficit of $119,000,000, there remains a deficit of $100,000,000; and if the $19,000,000 are added to the $109,000,000 shortage in Canadian National accounts, we should find that transportation cost the dominion last year $128,000,000. Or, if one prefers to take the figures of the Minister of Railways, who said the requirements of the Canadian National from the government for the year were one hundred and twelve and a quarter millions, the cost to Canada for transportation last year was $131,000,000. Deduct from the $19,000,000 the six and a quarter millions which went to the Hudson Bay railway, and the three or four millions which were paid out to roads other than the Canadian National from the maritime freight rates fund, one will find that the Canadian National Railways last year required government guarantees or cash amounting to $121,000,000.

I have said that there was nothing unusual, nothing extraordinary in this demand. We find in the report of the Minister of Railways that for the year 1929 the increase in the debt to the public of the Canadian National Railways was $144,670,000, and for the year 1930 it was $92,326,000. I have mentioned that last year it was one hundred and twelve and a quarter millions, and the minister has told us that this year it will be at least seventy millions. This demand upon the wealth of the country is so great, and the possibility of putting an end to it seems to be so elusive, that the railway problem is known to be the major problem which Canada has to contend with at the present time.

To solve that problem, a royal commission has been appointed. Men of great experience, men who know the business of transportation thoroughly, men in high judicial office, and men fully acquainted with conditions financial and economic throughout the country, have been brought together, quite regardless of any political allegiance any of them may have, and are making a complete survey of transportation in Canada. It was thought that that report would be available for this session but it is now apparent that it will not. When the report is made it will be received by the house; the report may be controversial the legislation based on it may be contested, I think it is fair to assume that a year must go by before any shred of the legislation to be suggested by the commission can be applied to this great problem.

During the past year parliament as a whole has enacted a number of provisional or conservatory measures. We have acknowledged that conditions are very unusual and we have done unusual things in an effort to cope with them. In this category of enactment may be found the suggested reduction in the salaries of civil servants, the reduction in the indemnities of members of the Senate and of the House of Commons and the withdrawal of amounts usually voted to worthy, if not necessary enterprises. Large sums of money have been voted for unemployment, farm and direct relief and we have endeavoured by extraordinary measures of every type to meet a most difficult and trying situation.

On more than one occasion I have stated in this house that I believed it was an error

for the government to engage in the ownership and operation of railways. It is not my intention to reiterate that belief or go into the long yesterdays of railway ownership and administration; it is not my intention to state whether or not that operation has been successful, as that aspect of the question is being investigated by a royal commission, nor is it my intention to prescribe any permanent solution of the problem, as that again is a prerogative of the commission and is a function which I believe it is well capable of performing. However, while this commission is investigating the problem and seeking a remedy for our ills, we as a parliament have not discharged our full duty towards the taxpayers and the financial integrity of the country—if we sit by and merely await events. I can imagine only one greater misfortune than the taking over of the Canadian National Railways by the Canadian Pacific Railway, that is the taking over of the Canadian Pacific Railway by the Canadian National Railways. I do not believe it is desirable that there should be a merger of these two railway systems; I think it is to the advantage of Canada that there should be competition. I think the country would be better off if it was served by half a dozen or even a dozen smaller railroads than by one or two big ones. Canada like most other countries has been a victim of the mania which holds that anything is better because it is bigger. We have big banks, big corporations and big universities and institutions of every description which in many instances appear to have outrun our capacity or ability to administer and manage. Notwithstanding the statement of the hon. member for Brome-Missisquoi (Mr. Pickel), which I think was made a little bit in the spirit of levity, I do not wish to see the Canadian National Railways swallowed up by the Canadian Pacific Railway any more than I wish to see the Canadian Pacific Railway swallowed up by the Canadian National Railways.

It is my belief that these two systems are both unsuccessful at the present time because there is not sufficient business in Canada to maintain them in their present state of perfection and efficiency. There never was enough business in Canada and there never will be enough business to maintain these roads until we have another ten million people.

Mr. St-PERE: The hon. member is not so optimistic as the Minister of Marine (Mr. Duranleau).

Mr. HACKETT: My suggestion is that the operation of these two roads be pooled for the period which separates us from the day when some better arrangement can be made or when some revival in business takes place. This may seem to be a very unusual statement, to some it may seem to be an impracticable suggestion, but in these days when we are doing so much that is unusual, when we are doing so much that has never been done before to meet a situation, without a precedent, I do not hesitate to advance it. According to its annual report for 1931, the Canadian Pacific Railway had working expenses of $116,000,000, the annual report of the Canadian National Railways including eastern lines shows that its working expenses amounted to $200,000,000. If these two systems would agree to a limitation for a year or two of the wasteful competition which is gnawing at their vitals, if thereby they could cut down their cost of operation by twenty-five per cent, they would offset in entirety the $19,000,000 deficit between net earnings and ordinary charges of the Canadian Pacific Railway and the $60,000,000 deficit of the Canadian National Railways. That, it seems to me is a proposal which should be seriously considered by the government, the Canadian National Railways and the Canadian Pacific Railway Company. The property of either company will remain exactly where it is to-day. An operating board, either entirely independent of both companies or composed of members representative of each company and presided over by an independent chairman, would manage those roads for the benefit of both systems on the basis of last year's operations.

Those of us who live in Montreal know each night at seven o'clock two perfectly appointed trains, equally empty, leave for Ottawa. We know trains from Montreal go to Toronto, trains from Toronto come to Ottawa and trains cross the continent in rivalry with one another, competing for a business which does not exist. They are forced to give a service which is beyond our requirements, to say nothing of our capacity to pay for, simply because neither can, without admitting inferiority, depart from the excellence of the service given by its rival. Last year, according to the Minister of Railways and Canals, the Canadian National Railways incurred a loss of $24,000,000 on its passenger traffic alone. This at least could be eliminated. Then there is the cost of traffic solicitation, which is entered in the books of the Canadian National at between $6,000,000 and $7,000,000 for the year, and I assume that the cost to the Canadian Pacific cannot be much less in proportion to the volume of its

business. There is also the cost of maintaining rival ticket offices, stations and like competitive organizations throughout the whole country. There must be ample equipment, without replacement, to run either road or both roads for an extended period of time if they are not called upon to operate in competition. This great saving of $80,000,000 could be effected without seriously impairing the service that is given to different parts of the country. It would not make much difference to people coming from Montreal whether they took a train from Windsor or Bonaventure station; the trains leave there at the same time and they arrive here at the same time, but the cost of the second train would be entirely eliminated. The same thing can be said of transcontinental passenger and freight services. I repeat: my idea is that this would be merely temporary, conservatory in its nature and to avail only until a better method can be found or until this tempest to which we have been subjected for two or three years now, has blown itself out.

I know very well the easiest course is to let matters continue as they are, but the cost of railway transport must be paid either by the classes served or by the taxpayer of the time or, with compound interest, by posterity. The rates which prevail on our railroads are undoubtedly low, but at this particular time it would be almost impossible to raise them; the taxpayer is not willing and frequently not able to bear much more taxation; yet if some method is not found whereby the annual requirements of the Canadian National Railways can be met otherwise than by mortgaging the future, the financial doom of this country is sealed; it cannot go on paying out $100,000,000 and more every year for the expensive toy which the Canadian National has become. I would therefore suggest, if it is impossible for these two railway systems to come to an understanding whereby they can effect a saving of an amount equal to their deficit of last year, that a tax known as the Canadian National tax be inaugurated in the form of a stamp tax and applied to all retail purchases other than food, so that the Canadian people, by paying that tax for a few months, might know exactly what the Canadian National is costing them and get at least a taste of the burden that we are placing upon future generations. The hon. member for Hochelaga (Mr. St-Père) last night said very truthfully and candidly that Canada had played politics with the Canadian National Railways. A free translation of his utterance as found on page 2182 of Hansard is as follows:

[Mr. Hackett.]

We have played politics with the Canadian National Railways and we are now called upon to pay the price. I shall not say of our folly but of our inordinate ambition to show the rest of the world that Canada had the biggest railway system in the world.

I do not find fault with either the accuracy of that statement or the spirit in which it was made, but I feel, when the people of Canada knew, as they would do were a tax, let us say of one-half of one per cent, placed upon all retail purchases with the exception of food, something of the expense that this game of politics has imposed upon our country, they would not be happy and possibly not again tolerate those who had played the game. But I doubt whether this expedient of taxation is necessary. I know my own reluctance in making this suggestion, because I dislike the element of monopoly which adheres to it. I can well appreciate the hesitancy of a railway executive, whether he be in the employ of the Canadian National or of the Canadian Pacific, of entering into a relationship of the type I have outlined. He might feel that his competitor was learning something of his secrets, if not of his tricks, and that as a result of that relationship his competitor might derive an advantage. I can understand the reluctance of the government to initiate negotiations tending toward such a relationship, but the fact remains however that last year one road suffered a loss of $19,000,000. I cannot believe that the management or shareholders of the Canadian Pacific Railway can rejoice very much in that fact. Last year the Canadian National Railways lost to the Canadian people something over $60,000,000, and I know that we are not very much elated over that. True, the actual loss did not measure up to the total requirements from the government. If we take into consideration the stock and debenture guarantees and scrutinize carefully the cancellation of maturing securities we find that since 1919, Canada has, on the average, provided to the Canadian National Railway, nearly a $100,000,000 per year. When times were good the demand was largely for new capital and when bad it was for money to pay deficits. Whether for deficits or for capital expenditures the money had to be found and guaranteed by Canada. Even when it was not guaranteed Canada was effectually responsible for it because of her interest in the Canadian National Railways. If these railroads are to operate their debts must be paid. We have reached a time when we cannot continue to provide these amounts.

While the royal commission is seeking a way out of this impasse it is possible by the

joint operation of these two railways to save at least $80,000,000 per year. I for one suggest that the shareholders of the Canadian Pacific Railway and the taxpayers of Canada might well consider this opportunity of relief. I am not one who entertains hope of relief from ingenious short cuts back to prosperity. We must economize, and in many instances we must begin again at our beginnings. This takes courage and initiative and will entail the doing of many things which hitherto have not been done. I make bold to suggest that the government will not have acquitted itself of its full duty unless it avail itself of every opportunity of effecting economy, even while the royal commission is carrying out its work. Without slackening energy or sinking heart it must go forward with this difficult task or, in the eyes of at least some, it will have been remiss in its duty. It behooves this parliament to take every means available to stem this gush of the financial life of this country. Unless we take all precautionary measures, unless we act promptly the patient may die while the surgeons consult.

Mr. G. G. COOTE (Macleod): Mr. Speaker, first may I say that I regret very much Canada should be in such an unfortunate position, financially, at a time when the new and genial Minister of Finance (Mr. Rhodes) presents his first budget to the house. I cannot be expected to follow at length the remarks of the hon. member who has just preceded me (Mr. Hackett). He has dealt entirely with the railways problem, and in passing may I say that there is only one solution for our railway problem in Canada, namely to give the railways traffic to haul. We had very little difficulty with the Canadian National Railways in 1928. In that year they earned enough to pay operating expenses and interest on the bonds held by the public. If we bring business conditions in Canada back to the level of 1928 we may solve our railway problem, and that is the only way it can be solved.

Never in my life time have I seen business conditions in Canada as bad as they are at the present time. Our unemployed and dependents number one-fifth of the population. The purchasing power of another two-fifths has been at least cut in two. Some of our industries have almost ceased to function. Most farmers are producing at a loss, and in many cases credit is almost non-existent. As is evidenced by reduced receipts from taxation, trade is at its lowest level for many years. So far as I can see there is nothing in the budget we are now debating to improve conditions; in fact, I think it will only make matters worse. Certainly through its policy of rigid economy it will add to the number of unemployed. The best example I know of rigid economy—and I should like to apologize to any Scotch members in the house—is a dead Scotchman. Thinking of him, we have no idea of prosperity. Because of the increased rate of taxation placed upon business we must expect more unemployment.

I believe that to balance a budget at a time like this is a mistake. Ever since the world began there have been periods of prosperity and depression. That is so at least as far back as history records. We can still draw a lesson from the way some depressions were handled in the past. The book of Genesis contains the story of a king of Egypt named Pharaoh who, when warned that a time of depression was approaching, appointed a very able Minister of Finance named Joseph. Joseph laid up a surplus to take care of the lean years, and I believe we might follow the example set by him. In periods of prosperity the nation should set aside sufficient money to tide us over years of depression. I know that our ministers expect these depressions to come, because in the last few weeks we have heard at least two of them use the expression "normal depression." It is true that this is an artificial scarcity we are suffering from to-day. There is no real scarcity of goods; it is only a scarcity of credit to move those goods into consumption. But if we are going to be stupid enough to continue under such a system I think we should lay aside surplus revenue in the good years to look after the lean years. There are two ways of increasing revenue: one is to increase the rate of taxation, but that has its limits; the other is to leave the rate of taxation the same, but increase the business of the country. By this budget in order to secure additional revenue the government have increased the rate of taxation, but I warn them that in many cases the limit has been reached, and if taxation is increased much further it will only hamper business. Taxation in the year 1928 produced $460,000,000, at a rate much lower than the present rate of taxation. Business was prosperous. This was possible because of the relatively high price level that obtained in Canada at that time. If we can get the price level back to that of 1928 we can again balance our budget without increasing the rate of taxation.

As I said a moment ago, the present budget adds to unemployment. If we are to pay our debts and our interest we must have our population producing goods of some kind that

can be sold. To get our people at work and to pay our way we must have money in circulation and we must raise price levels. Whatever way is adopted to bring this about, we must be prepared to allow our dollar to go to a greater discount in the United States. Our people must get used to seeing it lower. They will grow to like it for they will find it better for Canada. To get back to the condition of 1928 we must have more trade; more trade requires more money; we must increase the amount of money in circulation in Canada. May I point out, Mr. Speaker, that the issue of dominion notes, which is the basis of bank credit, has been restricted, and on December 31st last stood at only $174,000,000 as compared with $327,000,000 in 1918. In September last it was only $141,000,000. If the ratio of increase in the issue of dominion notes in the period from 1900 to 1920 had been maintained up to the present time, we would have in circulation betwen $400,000,000 and $500,000,000 in dominion notes. If our issue of dominion notes at this time were increased to that point it would relieve the dominion of interest charges on at least $200,000,000, and it would make a saving in the budget this year of $10,000,000, which is considerably more than the government are going to save by cutting the salaries in the public service.

The question naturally arises in the minds of some as to how this money can be gotten out to the public. I will not take very much time over that, but will content myself with suggesting three ways of doing it. One is to bring down to this parliament a program of public works. I remember very well the campaign in my constituency in 1930 was run by the Conservatives very largely on the promise of public works—they would have a great program of public works to give employment to all the unemployed. This year we have the smallest appropriation for public works since I have been a member of this house. We might engage in a housing scheme, such as that which I suggested to the house a few weeks ago. After hearing the Prime Minister's statement the other day in regard to the Beauharnois power project, I think we might very well take over that project and complete it as a public enterprise. It would be a splendid earning asset for the dominion and would amply justify the increase of our issue of dominion notes to pay for the completion of the work.

The budget is, I think, a pretty good indication of the economic condition of a nation. If we realize this fact, then this budget, with an expenditure of $119,000,000 more than revenue gives us a good idea of the financial position of the taxpayers and of the condition of industry in this country. The difference between receipts and expenditures this year shows the biggest deficit of any year since confederation, except when we were financing the war between 1916 and 1920. For the period from 1921 to 1930 there was a surplus of receipts over expenditures amounting to $463,000,000—an average surplus of $46,000,000. In 1930 this was suddenly turned into a deficit of $78,000,000, and for the past year, 1931, the deficit is $120,000,000.

Now, the reason for that was not a change of government, but the fact that Canada, in company with the rest of the world, has been suffering from the greatest depression of modern times. The depression is due to the collapse of the commodity price level. This collapse of prices was due to a shortage of gold, which was really due to the gold standard. Prices are the ratio of gold to commodities; when gold is scarce the price of gold rises, and commodity prices fall. The gold standard depressed prices to the point where England, the mother of the gold standard, was forced to abandon her child. Canada being on a gold standard has suffered the full force of this world deflation, although it was inaugurated principally in France and the United States. I know it is quite a common thing for governments to assume credit to themselves for any good times which the people may enjoy under their particular administration, but in reality, as a usual thing governments have very little to do with economic conditions, and a change of government usually makes very little material difference to the people because the policies carried out by different governments do not substantially differ in vital economic matters. In fact as far as economic conditions are concerned, you could very seldom tell whether there has been a change of government at all. But I must say that the tariff policy of this government has had some real effect upon the business of Canada, and as a matter of fact it has made conditions worse. It is not often that any government has as good a chance to do anything worth while for the people as easily as this government could have done last September when Great Britain went off the gold standard. The Prime Minister then, missed the chance of a lifetime. He had every reason, every excuse if you like, for saying: We will do exactly the same as England has done, we are forced off the gold standard and we will not attempt to maintain it. He might have done like Mr. Snowden and said: We cannot pay out gold, we will suspend the gold standard, but we will continue to meet our foreign obligations in gold where they are payable in gold. But the

Prime Minister is reported as saying: We intend to maintain the gold standard. He had two alternatives. Although he could not keep Canada on the gold standard, he could keep as near as possible to that point, maintain our dollar as high as possible in the United States, and by doing so keep the value of Canada's exports down to a low level. He could, on the other hand, have thrown in his lot with Britain and kept the currency of Canada at par with the British pound, and in this way have increased the price of Canada's exports. Canada ever since last September might have been one of what is termed the bloc of sterling countries—Britain, Sweden, Norway, Denmark and a few others in Europe.

I have shown repeatedly in this house that by keeping our dollar at a high level in foreign countries, especially in the United States, we keep down the price level of our exports. I will give one example. Wheat is our greatest item of export. Perhaps it furnishes more employment and puts more money into circulation than any other item produced in this country. The price of wheat is set in Liverpool and we are paid in sterling when we sell our wheat to Great Britain. At the present rate of exchange we receive for each pound $4.18. If our currency were at par with Britain's we would receive $4.87. In other words we are now losing 69 cents on every pound sterling—at one time we were losing as much as $1 on every pound. If our currency were at par with Australia's we would receive $6 for each pound. Our chief competitors in the production of wheat are Argentina and Australia. I leave it to any member of this house, but particularly to the Minister of Trade and Commerce (Mr. Stevens), an expert in dealing with depreciated currency—as to how the wheat producers of Canada with the pound stering bringing them $4.18 can be expected to compete with the wheat producers of Australia and Argentina when they are receiving the equivalent in their currencies of $6 to the pound. It cannot be done. Canada, by keeping up the dollar in New York, has kept down commodity prices and curtailed the purchasing power of the farmers and all those employed in our primary industries; it has curtailed employment; it has depressed business and has curtailed the earning power of our industries, our railways and the majority of our great corporations. It has cut the power of the people to pay taxes and interest. I should like to sum up this matter in a few words. Had the government frankly abandoned the gold standard our money surely would have gone down to the level of the pound, or it could have been easily kept there. If this had been done there would have been a decided increase in commodity prices, which would have increased the purchasing power of farmers and other classes in our export trade. These people comprise over fifty per cent of our population, and there would have been a very definite stimulus to business. The taxes collected by the government are dependent upon the amount of trade carried on. The government would have secured a sufficient increase in taxes to cover the increased expenditure necessary to pay the exchange on their obligations in the United States. I may say that I discussed this matter with a very prominent financier in Montreal, who expressed that opinion. In addition, the government would have been saved a considerable expenditure, because we would have had less unemployed people to care for. Had the government kept our dollar in line with the British pound there would have been no need to place a dumping duty against British goods; there would have been no need to fix the value of the pound for duty purposes at less than par. The government would have saved itself a lot of trouble and a lot of criticism, and I believe many of the problems with which the government has had to deal have resulted from the policy which was adopted in September, when Britain went off the gold standard.

I think a comparison of the policies followed by England and Canada will illustrate the situation. England frankly acknowledged to the world that she could not redeem the pound in gold. Her currency depreciated in gold countries approximately 20 per cent more than Canada's currency depreciated, and as a result England has been able to secure foreign exchange to meet all her liabilities at maturity. A recent press despatch stated that England has paid off $200,000,000 of an obligation which does not mature until next August. Business has improved; unemployment has been lessened, and the bank rate in England has been lowered four times since September, till now, I believe, it is 3½ per cent. I would like hon. members of this house and members of the government to compare that with the rate in Canada to-day. I have a press despatch here which says that the British bonds in New York have reached the highest level since September. A $1,000 bond is now selling at $1,007.50.

There is one point I should like to emphasize while I am on this question. If government policy is exercised to artificially improve the rate of exchange, that is, to hold up the dollar, in effect this should be regarded

as a sort of forced contribution from those who are producing for export, to governments, municipalities, corporations and individuals for whose benefit the rate of exchange is being artificially held up. I understand that the financial policy of this country has been to hold the dollar at as high a level as possible in New York, because of the obligations this country must meet in the United States. I agree with the Prime Minister that it is desirable that these obligations should be met at maturity in the terms in which they are expressed, but I believe that can be best done by allowing our dollar to go down to its natural level, which it would have reached in the natural course of trade. I think if we had followed the course taken by England we would have been better able to buy this foreign exchange, but if it comes to the question whether these obligations are to be paid according to the bonds or whether we are to make good our word to the people of Canada that we will give them employment, I think the claims of our own people come first. I would say to the Prime Minister that many of these people in Canada voted to return this government to power. The New York bankers did not have that privilege, though I suppose they would have voted for this government if they had been allowed to do so.

I do not want to dwell on this phase of the subject too long, but I should like to sum up some of the beneficial results that would have accrued if our currency had been kept on a par with the pound. The price of all exports, farm products, fish, minerals, pulp, paper, lumber and so on, would have been increased. I believe the industries in every province in Canada would have been helped. It would have given the exporters a margin with which to pay taxes and interest; it would have enlarged the market for Canadian coal; it would have given more employment; it would have increased the revenues of the government; it would have reduced the number of unemployed and the expenditures of the various governments in connection with unemployment relief; it would have helped balance budgets; it would have corrected any adverse trade balance; it would have given farmers and other exporters a premium with which to pay the higher prices demanded for Canadian products under our tariff. Through improved business conditions it would have increased the market price of securities held by the banks and other financial institutions so that they would not have needed to write up the value of those securities as authorized by the order in council. It would have led to lower interest rates and thus reduced the budgets of all our governments.

While I am on the question of interest rates I should like to say that I believe the cause of high interest rates in Canada to-day is a lack of confidence on the part of the people. It might be referred to as hoarding in our savings banks. During times of depression such as those we are going through, savings exceed investments, and government action should be taken to correct that condition. I believe the government could and should have kept interest rates down by the scheme proposed a few years ago by the present Prime Minister (Mr. Bennett). In 1927, when the right hon. gentleman was a member of the opposition, he suggested that Canada should create a consolidated 4 per cent security of the dominion and provide by legislation that a percentage of the revenue of the insurance companies, which at that time amounted to a net total of over $110,000,000 yearly, and an unstated amount from the savings banks deposits, should be invested in these securities. He suggested that these 4 per cent securities should be issued in renewal of maturing bond issues. The Prime Minister said this would have provided a safe security for the funds invested with our insurance companies and would have enabled the banks, which pay 3 per cent on deposits, to add a measure of stability to their own assets by purchasing a small quantity in addition to the securities already held. If this had been done it would have held interest rates down.

The Prime Minister floated the national service loan at too high a rate of interest. This depressed the price of previous issues, and made it difficult for insurance companies, banks and other institutions holding bonds to show a good financial position. I think this really led to the issuing of the order in council authorizing the banks to write up their securities, because I notice that the order in council was passed because of the depressed prices of good government securities held by the banks.

I feel, Mr. Speaker, that the time has come when we must exercise control over finance in Canada. Municipalities and provinces have been forced to pay impossible rates of interest, rates which will destroy our economic machine. According to a recent press despatch the province of Alberta sold bonds at a price to yield 6.77 per cent interest, and those bonds are free of municipal and provincial taxes and succession duties. I think that is an impossible rate of interest. Interest must be paid out of production. The other night the Minister of Trade of Commerce said that

interest must be taken out of the productivity of the country. In the province I mention the chief industry is agriculture, and the sheet anchor of agriculture, if I may put it this way, has always been held in this house to be the dairy industry. A farmer in that province recently sent me cream cheques covering six cans of cream averaging sixty pounds each, which brought him an average of $1.97 per can. That works out at about 33 cents per gallon. How can the farming industry pay the present rate of interest with prevailing prices? Attempts to collect taxes enough to pay that rate of interest would bankrupt the farming industry. The fall of commodity prices has doubled the burden of interest. A rate of 6.77 per cent is more difficult to pay now than 13 per cent would have been in 1928. In 1931 it took three times as much wheat to pay a given debt as it took in 1928. A rate of 6.77 per cent on present prices, if it is to be paid with wheat, is as great a burden as 20 per cent would have been in 1928, and the Minister of Trade and Commerce admits that a rate of 8 or 10 per cent is unbearable.

Surely we cannot leave the matter of finance uncontrolled any longer. We must increase commodity price levels or wipe out in whole or in part the debts now existing. And action cannot be delayed very much longer. When interest cannot be paid out of production that interest becomes usury, and history shows that usurious debts are generally wiped out.

The most important event in the financial world since the war has been the abandonment of the gold standard by England. Speaking of this occurrence, the Minister of Finance, in his budget speech, said:

> Our policy was therefore directed to accomplishing two results: First, to ensure the prompt payment of all obligations due abroad according to contract and, second, to assist in maintaining normal currency and credit conditions within Canada.

Considering the rate of interest which I have just quoted, I am sure it cannot be said that normal conditions have been maintained. The happenings of this year must, I think, convince us that the financial machine is breaking down, and we must exercise control. This, I believe, is the first time in the history of Canada that the federal government has had to assume the role of banker for the provinces—and these are the words used by the Minister of Finance. The collapse of the Manitoba provincial savings bank, the orders in council authorizing insurance companies and banks to write up the value of their securities, and the fact that there is practically no credit for agriculture, are surely good proof that normal credit conditions have not been maintained. If these are normal conditions, then we certainly are in need of a new credit system.

The real basis of credit has well been described as the ability to produce goods as, when and where required. Does anyone think that we in Canada to-day are making use of our real credit? I believe that our Bureau of Statistics, if called upon, could show that our capacity to produce goods and services is far beyond our actual consumption. I think they might very well present to this house a statement showing our capacity to produce these goods and services, and showing actual consumption; and they might also estimate our possible consumption. If they showed the ratio of production to consumption, there is no doubt as to what the result would be. It would show that we have a surplus of goods and services, that we have the capacity to produce abundantly; and if it did show that we have that capacity then it would be for us to decide whether or not we want our people to have an abundance. If we decide that they should have an abundance, then I think it will be inescapable that we must have a new credit system.

I would urge the Minister of Finance, when he brings down his budget next year, to include in it a statement of goods and services produced in Canada, together with a statement of our actual consumption. It would be very illuminating for parliament and for the government and the people of Canada. If the attention of the Canadian public were centred on this problem, they would soon see that we are suffering poverty in the midst of plenty. Surely we are crazy to keep ourselves in a state of want and privation when we have a surplus of goods all around us, and an industrial machine which is working only part time. Only when we are convinced of these facts shall we begin to take a serious interest in this matter.

Money is our medium of exchange, and the amount issued should depend upon the amount of goods and services we can produce rather than on the amount of gold which is in a vault somewhere in the east block, and which no one ever sees and no one is ever allowed to use. Doctor Coates, of London, is reported to have said:

> When central banks want to issue credit, they look in the cupboard to see how much yellow metal they have; they might as well look in the cellar to see how much coal they have.

The root cause of our trouble is the gold standard. The Minister of Trade and Com-

merce said that prices were expressed in terms of currency, currency was attached to gold, and the hoarding of gold caused a fall in price levels. The gold standard, as I have said, is really at the bottom of our troubles, and after our experience of the last two years, why should anyone want to go back to it? Surely there is a better way. Gold has its use for the settling of international balances, and it should be reserved for that purpose only—that is, monetary gold. There is no need of it in connection with internal currency. This use only ties it up so that it is not available for the purpose for which it should be used.

I find that a great many people are very much afraid that if we have this inflation or reflation, whatever it may be called, when we do increase the amount of credit there will be a great increase in the cost of living. I draw that inference from the remarks of the hon. member for Weyburn (Mr. Young) the other day. What we are asking for is controlled inflation, controlled to accomplish a certain purpose. We want to restore the price level of 1928, and that can be done without unduly increasing the cost of living. If action is taken to prevent undue profits being made, there need be no appreciable rise in the cost of living, and when we do take the necessary action to increase the amount of money circulating in the country, I suggest that we take action, through a business profits tax and a tax on large incomes, and a drastic inheritance tax, as well as the control of capitalization of companies, so as to prevent any undue rise in the price level.

In the true sense of the word, real inflation does not begin until the amount of money in circulation is more than is required to move goods in transit at a normal price level. If you issue more money than is required to move the amount of goods and services produced and available, you have inflation of money and also inflation of prices. But if there is always a sufficient amount of goods to meet the volume of money put out, there will be no inflation of prices.

I wish to refer for a moment to the statement made by the hon. member for Weyburn. He said:

> The trouble with the price level is not that it is not stable, but that it is not level. The difficulty is not the price level but the inequalities within the price level. . . . This proposal to correct things by raising or lowering the whole price level will never iron out those inequalities.

The hon. member himself states that these inequalities were present in 1928. If they were present at that time, then I say they have been multiplied several times by the present price levels. We want to get back to the price levels of 1928, and if there were inequalities in those levels, they can be ironed out without upsetting that level. It is the average level of prices we are attempting to have raised.

It is well known to anyone who has studied political economy that in periods of depression the prices of farm products drop farther and faster than do the prices of manufactured goods, and that when the period of depression is over, the prices of agricultural products will rise faster and farther than retail prices. We want to get back to the levels of 1928. If we can do that, we will then have increased the prices of agricultural products by 50 per cent and retail prices by around 10 to 12 per cent. If there are inequalities in the price levels, all right, let us iron them out. I do not want the hon. member for Weyburn to run away with the idea that because we would increase the amount of money in circulation so as to raise price levels, we intened to increase the inequalities which existed in the price levels of 1928.

For the benefit of the house, I should like to sum up our present position. Because of the action of the government in keeping our dollar at a high level in the United States, this country's economic life and financial stability and the workers of the country have been placed at the mercy of the bankers in the United States and France. These bankers are not guided by any general consideration for our interests, they are guided solely by their own personal interests. Canada to-day might well be described as the thirteenth federal reserve district. I wish the government would exhibit a little more of that sturdy, robust, red-blooded Canadianism of which it boasted so freely when it was in opposition. I wish the Prime Minister would show a little more of that aggressive attitude in connection with finance which he manifested so clearly to the farmers during the last campaign. He told the farmers that he would make tariffs fight for them, but so far as I can see he has not succeeded. He could make finance fight for the farmers, he could make the rate of exchange fight for them. Keeping our dollar at par with the pound sterling would make it worth 60 or 65 cents more to the farmer; that would be making finance fight for the farmer, and would be appreciated. Instead

of that, the Prime Minister warns us that the New York money market is the only market open to us and we should be very careful of what we say for fear of offending the New York bankers. It is time we had a national financial policy for Canada.

On motion of Mr. Irvine the debate was adjourned.

On motion of Mr. Rhodes the house adjourned at 5.53 p.m.

Thursday, April 21, 1932

The house met at three o'clock.

PRIVATE BILLS

FIRST AND SECOND READINGS—SENATE BILLS

Bill No. 47, for the relief of Eva Corker Trill.—Mr. Bell (St. Antoine).

Bill No. 48, for the relief of George Senkler Morgan.—Mr. Bell (St. Antoine).

Bill No. 49, for the relief of Agnes May Jack Evans.—Mr. Bell (St. Antoine).

Bill No. 50, for the relief of Mabel Constance Small Cossar.—Mr. Bell (St. Antoine).

Bill No. 51, for the relief of Olive Pearl Beattie Watkins.—Mr. Bell (St. Antoine).

Bill No. 52, for the relief of Assad Kalil Eddy, known as Joseph Canille.—Mr. Bell (St. Antoine).

Mr. STINSON moved:

That pursuant to special order made 19th April, instant, the said bills be now read a first and a second time and referred to the select standing committee on miscellaneous private bills (together with the evidence, etc., taken before the standing committee of the Senate on divorce on the petitions on which the said bills were founded).

Motion agreed to.

BUSINESS OF THE HOUSE

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I understand it is acceptable to the opposition that we should proceed with the debate upon the ways and means motion until six o'clock to-night and then take up supply. If so, I will move formally, seconded by Mr. Rhodes:

That the order of business for this day until six o'clock be the same as on Wednesdays, and after eight o'clock as provided by the rules for Thursday.

Is that acceptable?

Hon. ERNEST LAPOINTE (Quebec East): I have no objection. I should like my right hon. friend to indicate what departments will be taken up, some members having asked me as to this.

Mr. BENNETT: We are in a position to finish Fisheries, I think the Secretary of State is ready to proceed with his estimates, and we will proceed with any other departments that the right hon. gentleman may desire. At eleven o'clock we will name definitely the supply to be taken up to-morrow.

Motion agreed to.

FRONTIER COLLEGE ACT

Hon. C. H. CAHAN (Secretary of State) moved for leave to introduce Bill No. 53, to amend the Act of Incorporation of The Frontier College.

Motion agreed to and bill read the first time.

QUESTIONS

(Questions answered orally are indicated by an asterisk.)

DOLBEAU, QUE., METEOROLOGICAL STATION

Mr. RHEAUME:

1. What amount was expended on the meteorological station at Dolbeau, residence of Mr. Elisée Morin, from January 1, 1930, to April 1, 1932?
2. What was the cost of the installation of instruments in the residence of Mr. Elisée Morin, at Dolbeau?
3. What was the cost of the tower erected at the said residence, and when was it finished?

Mr. DURANLEAU:

1. $1,734.66 (including 2 and 3).
2. $438.56.
3. $86; October 3, 1931.

CONFEDERATION BUILDING EMPLOYEES

Mr. ILSLEY:

1. How many persons work in the new Confederation building?
2. What is the number in each department?

Mr. CAHAN:

1. and 2.

Agriculture	323
Auditor General	191
Justice	30
Labour	148
Public Works	92*
Total	784

*Of whom 80 are part time charmen and charwomen working 2½ hours per day.

LOANS TO CHARTERED BANKS

Mr. SPENCER:

1. What were the total loans under the Finance Act to the chartered banks in Canada from the 28th February, 1931, to the 28th February, 1932?

2. What were the total amounts advanced to each Canadian bank during this period?

Mr. RHODES:

1. On the 28th of February, 1931, loans outstanding were $8,500,000. Between that date and February 29th, 1932, loans made from time to time amounted to $282,000,000, while repayments amounted to $254,000,000, thus leaving $36,500,000 of loans outstanding on February 29th, 1932.

2.

Canadienne Nationale.. .	$ 35,500,000
Commerce..	48,000,000
Dominion..	12,000,000
Imperial..	8,500,000
Montreal..	20,000,000
M. C. & D. S.	3,500,000
Nova Scotia..	11,000,000
Provinciale..	4,000,000
Royal..	137,000,000
Toronto..	2,500,000
	$282,000,000

CHARTERED BANKS—CURRENCY ADVANCES

Mr. REID:

1. What amount of currency was advanced to the banks, under the Finance Act, for the months of October, November and December, 1930, giving the respective amounts in each month?

2. What rate of interest was charged the banks for the advances made to them during these months?

3. What security did the banks have to put up for the advances made?

4. Were those advances made by way of loan, and if so, for how long a period?

5. Did the rate of interest charged the banks vary throughout the year?

Mr. RHODES:

1. October, 1930, $25,000,000; November, 1930, $39,000,000; December, 1930, $25,000,000.

2. 4½ per cent on advances against all securities other than 4 per cent treasury notes in connection with which 3¾ per cent was the authorized rate.

3. Advances to the amount of $87,162,000 were made against Dominion of Canada securities and $1,838,000 against approved provincial and municipal securities as provided for by section 5 of the Finance Act.

4. Yes. Repayable at any time before May 1, 1931.

5. No.

[Mr. Cahan.]

QUESTION PASSED AS ORDER FOR RETURN

CACOUNA INDIAN AGENCY—ALEXIS MICHAUD

Mr POULIOT:

1. By whom, to whom and at what date was Alexis Michaud's application for the Cacouna Indian agency, dated January 15, 1932, forwarded?

2. Is that application form filled in hand writing or is it typewritten, with the exception of the signature?

3. At what date, where and by whom was it received?

4. Was it accompanied by any letter?

5. If so, from whom?

6. By whom, to whom and at what date was Alexis Michaud's application for the Cacouna Indian agency, dated January 21, 1932, forwarded?

7. Is that application form filled in hand writing or is it typewritten, with the exception of the signature?

8. At what date, where and by whom was it received?

9. Was it accompanied by any letter?

10. If so, from whom?

11. Why was a second application forwarded by or on behalf of Mr. Alexis Michaud for that position?

MANITOBA SAVINGS OFFICE

On the orders of the day:

Mr. A. L. BEAUBIEN (Provencher): Mr. Speaker, may I ask the Prime Minister a question based upon an article in the Montreal Gazette of this morning? I will read only three lines of the article:

The Manitoba premier denied he had stated to Mr. Bennett that he had decided to close the savings office.

Is the Prime Minister in a position to make a statement in regard to that denial?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, I have already intimated my recollection of the conversation. When I saw the article in the papers I telephoned to the banks, and I find that on the date that I indicated, namely, the 26th day of January last, Mr. Bracken, with Mr. Williams, went to Montreal—as I indicated—and he there endeavoured to sell the savings office to the banks, as he did in Toronto. When he came to me on the succeeding day he stated just what that meant, that is, that he had concluded to take the step that I have alluded to. I think he is confusing two occasions. He did not speak of taking the action I indicated the first time he saw me, but on the occasion in January, that I mentioned on

Tuesday, the discussion took place. If the hon. gentleman desires, he can, by communicating with the banks in Toronto and Montreal, find that the effort was made to dispose of the savings office by having the banks take it over as I have indicated.

Mr. BEAUBIEN: Thank you.

CONVERSION LOAN

REFERENCE TO STATEMENT BY HON. MEMBER FOR SHERBROOKE

On the orders of the day:

Hon. E. N. RHODES (Minister of Finance): Mr. Speaker, one week ago to-day I directed the attention of the house to an observation which had been made in the course of the budget debate by the hon. member for Sherbrooke (Mr. Howard). What I said upon that occasion will be found at page 2003 of Hansard. The hon. member was absent for a period of days, but now he is present in his seat I would ask him either to support or withdraw the remarks to which I made reference at that time.

Hon. ERNEST LAPOINTE (Acting Leader of the Opposition): Before my hon. friend for Sherbrooke rises, I think, Mr. Speaker, that objection to words uttered in the course of a debate must be taken at the time the words are uttered. If I remember well, my hon. friend the Minister of Finance was in the very seat he now occupies when the member for Sherbrooke was delivering his address. The hon. minister did not say a word at the time, he did not take any objection, and I do not think it is in order for him to raise the question to-day.

Mr. RHODES: Mr. Speaker, it is quite true I was in my place on the occasion when the hon. member for Sherbrooke was speaking, but I was interrupted a number of times during the course of the debate. I find no fault with this, but the fact is either a message would be handed to me or an hon. member would come to discuss certain questions with me, and as a matter of fact the full drift of the remarks of the hon. member was not borne in on me at the time. I do not propose to discuss the point of order at all. It is only a question of the general fitness of the character of the remarks and the charges implied in them, and I should think the hon. member for Sherbrooke would be the last person to wish to shield himself behind any question of order.

Mr. LAPOINTE: Behind the rules is always good shelter for a member of parliament.

Mr. SPEAKER: If the hon. member for Sherbrooke wishes to support the objection taken by the ex-Minister of Justice (Mr. Lapointe), I shall reserve my decision on the point of order.

Mr. LAPOINTE: Mr. Speaker, I do not need the support of the member for Sherbrooke for the point of order I am taking.

Mr. SPEAKER: I am not suggesting that the hon. member needs any support, but it is a question for the hon. member for Sherbrooke to decide as to his own action.

Mr. LAPOINTE: Any member of the house has the right to see that the rules of the house are observed.

Mr. SPEAKER: If the hon. member for Sherbrooke does not wish to reply to the observations of the Minister of Finance, I shall reserve my decision.

Mr. LAPOINTE: I do not know whether he does or not; I do.

Mr. GUTHRIE: That ought to settle it.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Wednesday, April 20, consideration of the motion of Hon. E. N. Rhodes (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Ralston, and the proposed amendment to the amendment of Mr. Gardiner.

Mr. WILLIAM IRVINE (Wetaskiwin): Mr. Speaker, time forbids that I make any extended references to the speeches already made during this debate. One of the most notable, I think, was the address of the Minister of Trade and Commerce (Mr. Stevens). It was a notable speech in that it struck a new note and indicated a new viewpoint coming from the treasury benches, and I think we may hope that it will become the basis, in the not far distant future, of an entirely different policy in this country. Worthy also of much study and discussion was the speech made by the hon. member for Macleod (Mr. Coote) yesterday afternoon, which was an able defence of the amendment moved from this corner of the house and an interpretation of the financial system, and which contained suggestions as to how we might get out of

our present economic difficulty. I should like also, to offer my congratulations to the Minister of Finance (Mr. Rhodes) who, for his many good qualities, is very highly respected in this house. I regret that the world situation, and particularly the economic situation in Canada, should have been such as to make difficult the presentation of his first budget.

I should like also to offer a word of congratulation to the government. As is well known, I hold very different views, both on questions of economics and politics, from those to which expression has been given in the policies of this government, as well as in the policies of preceding governments. Nevertheless, I am not unmindful of the colossal task confronting this administration at the present time, and in view of that fact I will not snarl at the heels of the government. Civilization to-day is in the process of a readjustment so fundamental in character as ultimately to leave untouched no field of knowledge or of experience, nor any institution without at least some modification. In Canada, as in other countries, we are confronted with a situation for which history offers no parallel. Therefore we must face this fact, that there are no precedents which we can fittingly apply, and we must work our way out by doing things which no one knows how to do because they have never been done before. In view of all this I gladly congratulate the government on its able leadership, its honest administration, its decisive and at times courageous actions and its sincere devotion to the well-being of the nation. But when all these things have been said and acknowledged it does not by any means follow that success has been secured. In other words I have no criticism of the captain of our ship, Canada, in so far as his ability as a navigator is concerned. I have no criticism of his seamanship or of the character and ability of his crew. The objection I am going to register to-day is with the direction in which the ship is going and the port towards which it is bound.

I want to direct my attention particularly, Mr. Speaker, to the subamendment moved from this corner of the house. As will be seen by hon. members, this subamendment is a challenge to the existing system, and I had hoped that the debate which followed would have been on that issue and that some difference of opinion would have been offered either with regard to the statements of fact included in the subamendment, the opinions expressed as to the proper interpretation of the economic situation, or to the proposals themselves.

[Mr. Irvine.]

With regard to the amendment I have to say that I look upon it as supporting the budget, since it takes exception only to what to my mind is an infinitesimal detail in the great national policy and attributes to that detail all the present difficulties of our economic life. Since it takes exception to only one small detail in the budget I assume that those moving it are perfectly satisfied with the system as a whole, and so far as I am concerned the amendment by implication really supports the budget. The subamendment, however, unqualifiedly declares that it does not think the present capitalistic system can be salvaged in its present form but that definite modifications are necessary, and so I should like to direct the attention of the house first to the statements of fact contained in the subamendment.

In the subamendment it is stated that there is an ample supply of natural resources to provide the people of Canada with all the primary needs of life: that we have sufficient and efficient industrial machinery, including plant equipment and skilled workers which, if applied to the natural resources, could produce all that we require in Canada. Further it is said that notwithstanding these facts our debts, personal, social and national, are increasing. These are facts that have not been challenged by anyone during the course of this debate, and I question whether anyone will have the temerity to challenge them. They are too obvious to the people at large; they cannot be challenged. Then, with these facts before us, we express the opinion that since this is the case, and our people are hungry and without work or economic hope, the trouble is to be found in the economic system itself. No one has challenged that opinion. It is only an opinion, and I admit that it may be challenged successfully, but so far no one has said there is not some defect in an economic system capable of producing the results enumerated.

Then we come to the next step; having emphasized the importance of finance in the national policy to-day we offer the suggestion, as a first step towards a solution of the economic problem facing the people of Canada, that there should be a nationalization of the credit system of this country. The hon. member for Macleod dealt specifically with that part of our subamendment yesterday, so I will not deal with it further at this time, but will rather turn my attention to the general viewpoint which the subamendment seeks to envisage with regard to the economic conditions with which it deals.

The budget itself, the subject of all our discussion and in connection with which our subamendment has been moved, to my mind is a very true reflex of the psychological condition of the country in respect of our economic problem. It is a budget exactly the same in all major respects as other budgets presented by various governments of the world. These are the outstanding characteristics of the budget. It reveals a marked decline in trade, a falling-off of revenue, a reduction of public services, increased taxation, a reduction in the salaries of public servants and an increase in debt. I am not blaming the government for all these dismal things; I am merely enumerating what the budget discloses to us and to the people of Canada and pointing out the idea which it reflects that there is great necessity in this country for curtailment of expenditures, for curtailment of purchasing power—that for some reason or other we ought to be taking care of our wealth instead of using it.

Now, the budget as a whole presents one issue in particular to which I wish to call attention. That issue is this: Shall this government, shall this parliament, shall this people of Canada be controlled by money or shall it control money? That is not to say that some individuals of great wealth determine the policy of governments, but it is to say that the monetary system is accepted both by parliament and by the people as a sacred institution to be preserved at all costs; and once that is accepted then the factors which I have enumerated as appearing in the budget become, under present conditions, inevitable.

Let me call the attention of this house and of the country to the tragedy of waste which this policy, reflected in the budget, means. There seems to be a desire to save. Well, I am interested in what we are trying to save. Are we really practising a form of economy which will save the real wealth of the nation or are we being penny wise and pound foolish? While we are saving figures in a book through the present system of book-keeping, while we are curtailing expenditures as the budget provides, what about the waste of the machine that is standing idle? What about the waste of the great surplus of goods which no one is able to use because they cannot be bought? What about the waste of human values—the unemployed who are hopelessly walking the streets? What about the waste of youth looking forward in hopefulness to find some expression for their best selves in Canada? What about them? These are the things we ought to be conserving; these are the places where we ought to practise economy. But we cannot save these things while practising this form of economy under the present financial system.

It has been said by many that this is a dollar civilization, that the dollar has been regarded as the god of our age. If this was ever true it is more true to-day than at any other time in the world's history. Canada, like other nations, sits in sackcloth and ashes, offering her sacrifices to the dollar deity. Every luxury denied to the Canadian people in the face of the present abundance is a sacrifice to the dollar deity. Every curtailment of public services, the great mass of the unemployed, the comfort denied the masses of the people, the very necessities of life denied to many—these are all in the line of sacrifices to a book-keeping system. I am reminded of an incident in the history of the great Jewish people. When Moses took a holiday, he found on his return that there had been great disruption in the camp, and the people were worshipping a golden calf. He sent for Aaron to explain the situation and Aaron, trying to make some excuse, said that the people had put all their treasures into the fire, and, lo, this calf had come forth. It seems to me that this is about what we are trying to do in Canada to-day: We are pouring all our treasures, our real wealth, our human values, into the fire of the present financial system, and I fear that the only thing that will come out will be a calf. I protest against such sacrifices, especially when economic abundance renders the performance absurd.

The dollar is an invention of mankind for convenience in the exchange of goods, and I hope that Canada will not for long bow the knee to it nor acknowledge it as the sacred dictator of a sacrificial policy unnecessarily imposed upon the people. This policy of rigid economy is due, perhaps, to certain deep-rooted psychological causes as well as economic. I think that we might divide the honours or the dishonours between instinctive and paralyzing fear and lack of vision on the part of this house and of the country at large. That fear is the fear of scarcity, and I presume it was generated at a time when the world was really in danger of real scarcity, when the tooth and claw method was necessary to survive; and unfortunately for us it appears that instinct does not respond as readily to a new set of circumstances as does intelligence. Instinct has a tendency to go on in a straight line while intelligence notes all the facts of a changed situation. And so it is to-day that we, in spite of the abundance which we are conscious of possessing, go on in a straight line towards scarcity, hampering and

hindering the distribution of goods which we have already been able to produce. The fear psychology is gradually developing. Capitalists are afraid that capitalism will collapse, and the socialists and those who are usually termed reds, all opposed to the capitalistic system, are afraid that it will not collapse, which might be a greater tragedy than the other. At any rate, all are afraid of some danger. Even Mr. Wells, in one of his writings, expresses the view that civilization is a race between catastrophe and knowledge, and then later he calls the race off because, as he says, there is not enough knowledge to make a race. I disagree with him in his implication, for he implies that civilization has been built without intelligence, and I fail to see how civilization built without intelligence will ever be destroyed by lack of it. However, from Dean Inge and H. G. Wells to the vociferous and ubiquitous communist agitator, they all encourage us to anticipate disaster, until we have developed what we might call an appetite for disaster, which seems to want to satisfy itself.

After all, what is there to fear? We are told that a crash is about to come; and when we read the words which Sir Montagu Norman addressed to some official in France, we can almost hear the reverberations of that great crash. But what is there to crash? The only thing that can crash is our way of doing things—a way which is not doing them very well, a way of doing things which may be standing in the way of better ways of doing things. The only thing that can crash, I say, is our present system, our method of doing things. The greatest crash would come from the debts of the world, and those of us who are burdened that way do not anticipate that with any sort of disfavour. Let it crash; there is nothing to fear in that.

Capitalism itself is only an incident in the evolution of economics. Economics and all that it stands for will be here when capitalism is gone. But of course there is always danger, for life itself is the most dangerous of all experiments. There are dangers which are usually as great as the achievements with which they are associated. The magnetic compass has been responsible for the death by drowning of mariners in the "Devil's Hole" and of struggles for life in the "Roaring Forties." Every mile that Columbus sailed carried him further in the path of danger; yet he discovered a world. The first aviator faced great danger but he conquered the air. If we are to stand on the threshold of a new age, merely contemplating the dangers ahead, we shall fail in our great achievement. Some hon. members of the house may disagree with my colleagues and myself when we say that we believe we are on the threshold of a new social order, but we will be permitted to express our views at least. Things cannot go on as they have been going. We cannot express too much our opinion in that regard; we should not shiver in fear but we should look at the great possibilities and contemplate the achievements rather than the dangers which may be entailed.

Let me direct the attention of the house to some elements of progressive stability upon which we may restore the confidence of the nation and go forward with greater hopefulness than we have in the past. It is clear to everyone that the fear of danger cannot be overcome unless there are sound and substantial reasons upon which confidence can be based. Confidence cannot be established by well-sounding phrases, by Babbitt optimism. I repudiate with contempt, as I believe every hon. member of this house does, the fatuous and vaudevillian efforts of those who whistle to keep up the courage of the nation. They tell us to keep smiling and ask the penniless unemployed to buy more. They whistle these tunes at great public gatherings and try to get rid of the danger by their whistle. We cannot do that; we must have confidence but that confidence must be based on something substantial and real. It cannot be re-awakened by the hope of reintroducing a system now dead. There can be no resurrecting of dead institutions any more than there can be a resurrecting of dead bodies. The hope of Canada and the hope of civilization must rest in new performances, in new concepts, in new institutions and new practices. I believe that we are on the threshold of the greatest possibilities which time has ever presented to the human race.

The contributions of capitalism have been great, and one of its greatest contributions has been the abundance with which it has presented the human race. Capitalism has made it possible for us to emerge from the economic jungle where the tooth and claw method of survival was the order of the day and to reach a plane worthy to be called a real human plane. Prior to capitalism, humanity was in a state of perpetual scarcity, competition was the natural method adopted in the struggle for survival. But to-day we are in the age of plenty, as our subamendment very clearly outlines, and there is no more reason for a lack of bread, a lack of clothing, a lack of warmth, a lack of housing or a lack of any of the necessities of life than there is for a lack of water. We are

in the age of great surpluses. In one year Canada has produced a surplus of wheat sufficient for our needs for another year. If that were done in the case of all our products, the population of Canada would perish in a week unless we found better ways of distribution than have been found so far. The only method of distribution thus far discovered has been through the wages paid for production; if we produce a surplus there will be no more production, no wages will be paid and we will be faced with starvation in the midst of great abundance. The surpluses with which capitalism has presented the world may truly form the essential basis of cooperative economics. Those surpluses should be the basis of a higher system of ethics than humanity has ever been able to achieve in the past. We have tried to be ethical under a competitive system, but I say that we might just as well try to grow roses on an iceberg as to practise christian ethics in the midst of a competitive civilization. Even ethics must have a satisfactory physical basis. With such abundance of all that is essential to life we are on the threshold of being released from economic bondage, the greatest bondage ever faced by the world. Before we can reach that freedom we must be prepared to remove all the restrictions introduced during the period of scarcity and evolve a definite method for the distribution of this abundance. This is a task beyond any individual, or even a government, it is a task for society as a whole. We must attempt to alter the whole course of society in order to reap the benefits of the great advantages which capitalism has presented to us.

To-day there is less cause for despair than at any other period in history. At what period in history have human values received such universal emphasis as during the present period? Internationally there is a struggle going on for the establishment of a permanent basis for world peace. Nationally there is a growing opinion that hunger and poverty are disgraces to society and we are seeking more and more to combine our human good will and intelligence in order to eradicate such as enemies of mankind. There is a growing opinion everywhere that the life and happiness of the people must not be hampered or denied by the limitations of certain agencies which man has devised to serve the purposes of life. Never were these human agencies so universal, so well organized, so articulate and potent as now. These qualities, together with our boundless national resources, or machine of production and our army of competent workers should be entered upon the ledger of the nation by the Minister of Finance (Mr Rhodes) as assets of this country which no debts can outweigh.

We have a difficult problem to face, as have all people who have lived in similar periods of transition, but our assets are greater. Being heirs of the ages, we have greater knowledge to-day than ever before. Our knowledge is not only greater in the aggregate but the capacity of the individual is as great to-day—as, if not greater than, it ever was in the world's history. There is more goodwill in the world to-day than ever before, it has never been more general, more sincere and more forceful. We can still claim to be in possession of courage. Those who read of the exploits of our armies in Europe during the last war know that courage is still in the hearts of Canadians, and they will respond just as much to peaceful exploits as they did to warlike exploits. Human nature is on our side. When we talk about introducing a new economic system most people say: You cannot do that because human nature is against you. Human nature to some people is represented only by criminal exploits. But human nature is greater than that, it will assist us forward with our new system; it is one of the strongest forces in our favour. It is true that capitalism has developed much of the worst in human nature but if we can introduce a system such as is covered by our subamendment there will come a time when we will have an economic system which will bring out the best in mankind.

To-morrow we shall rediscover man himself and build a civilization worthy of his best. There are deeper wells of greatness in human nature than have so far been suspected. Then youth too is for a new system. The young people of Canada are looking for leadership. They are wise enough to sense the danger of the present system and to appreciate the instability which will come from the denying of the necessities of life in the midst of abundance. Finally that great force referred to by Schopenhauer, Goethe, and others as the "Will to live," has not lost its cunning, nor its creative genius. Having brought the race from the slime of incipient life to the highest achievements of modern civilization it will not now abandon us. It will discover what to do with abundance. The real challenge to capitalism does not come from communism or socialism, it comes from the will to live inherent in humanity. Capitalism must meet this challenge of life or perish. Life will not be defeated.

With such a heritage of power there is no room for fear, with such strivings of the vital

instincts of the race, civilization will and must come through. Our despairs are but passing clouds before the vision of the mind. Our fears are like the dreams which waken children in the night. Such defeats as we fear may come to individuals, but the race is borne to victory. The great to-morrow is like an unborn babe in the womb of time. The sufferings of the moment, which are real and tragic, are the pains of birth. The life of civilizations, like that of the race, must find its survival in new birth. This truth I put down as the sure basis of hope. Beyond the happy scope of myth no corpse has ever come to life. Those who expect to resuscitate capitalistic civilization, like those who spend their times at graves in readiness to welcome resurrection, shall wear forever the dark mantle of despair. New thoughts, new ideals, new systems and new hopes are the new-born children of to-day who shall be in command to-morrow.

I ask the house to consider the proposals which we put forward in connection with this anticipated new age of abundance so that we may be in a position to take advantage of it, and to vote for the subamendment and economic freedom for the people of Canada.

Mr. ONESIME GAGNON (Dorchester): Mr. Speaker, may I congratulate the hon. member for Wetaskiwin (Mr. Irvine) upon his very interesting speech. I intend this afternoon to direct my humble remarks especially to my colleagues from western Canada, and I do not know amongst them a more amiable, lovable or sincere friend of the people than my hon. friend. Since I have come to this house, I have been much impressed by the assiduity of members from western Canada who sit with the hon. member for Acadia (Mr. Gardiner), by their spirit of cooperation and high sense of duty.

I did not intend to take part in this debate, but the very interesting speech delivered by the hon. member for Dufferin-Simcoe (Mr. Rowe) has impressed me to such an extent that it behooves me, as a representative of an agricultural division of Quebec, to rise and thank him for having so happily voiced the sentiments of eastern Canada. The hon. member is still a young man; his political career is full of promise; his speech is one of the most persuasive that has been delivered during this session. My hon. friend has been an eloquent advocate of the needs of the farmers; being himself addicted to the farming and live stock industry, he speaks with authority, and I hope the government will avail themselves of the excellent suggestions he has given them in order to promote the welfare of the farmers and thereby assure our return to prosperity.

May I also congratulate the Minister of Finance (Mr. Rhodes) upon his masterly achievement; his budget has been everywhere highly commended. The minister comes from the beautiful province of Nova Scotia which has been called by a humourist endowed with a high sense of reality: "The land of apples and statesmen." From that province also comes the distinguished financial critic of the Liberal opposition, the hon. member for Shelburne-Yarmouth (Mr. Ralston). By a happy coincidence, they were both born in Amherst, and the brilliant city editor of the Montreal Standard wrote last Saturday in his paper, the following words:

> There must have been something about the air of Amherst, Nova Scotia, that whetted minds in keenness and brilliance, in that it created two such outstanding Canadians:—

The hon. Minister of Finance and the hon. member for Shelburne-Yarmouth.

It has been more or less the custom of parliamentarians to avail themselves of the opportunity offered by debates on the budget to praise the work of their respective parties. May I ask my colleagues, in these times of anxiety, to rise to higher ground and forget our party divisions and discussions? On the eve of the great Imperial conference which will, for the first time in history, sit in Ottawa, and which will have to enter upon the long-awaited agreements necessary to assure the economic revival of prosperity in the different dominions forming the British commonwealth of nations, I humbly suggest that we consider the salvation of our country in the light of our duty towards agriculture as outlined by the hon. member for Dufferin-Simcoe.

Let us forget our divisions and recall the words used by Professor Leacock of McGill university in his recent book entitled Return to Prosperity, a book which will prove beneficial to all men interested in studying the different problems which will confront Canada at the Imperial conference. Professor Leacock on the first page of his book says:

> "The Imperial conference meets on the call of an emergency."

Speaking in this house at a luncheon tendered him by the Prime Minister (Mr. Bennett), the Right Hon. Winston Churchill said:

> "Canada once again stands on the Vimy Ridge of the empire."

Another parliamentarian from England wrote the other day that all the delegates ought to come to Ottawa with outstretched hands.

The Ottawa Citizen of March 5 had on the front page the following caption:

Preparing for Ottawa is Britain's new national slogan.

It continues:

Nothing has captured the imagination of the political, commercial and financial world like the great empire gathering which a few months hence assembles in the Canadian capital. Already ideas of the leading industrial, trade union and business organizations here have been collected by government experts so that a complete review can be made of Britain's trade position.

Have we forgotten our party divisions and discussions to reach such an equanimity, as to enable us to assure the success of that conference? Before setting our hearts to a task of such magnitude, must we not remember that we are Canadians and resolute to achieve a safe return to prosperity?

May I suggest that the imperative task which we must assume is that of safeguarding agriculture? Professor Leacock, in his book which I have just mentioned, calls agriculture "the sheet anchor of national safety." He says:

Agriculture is not a business; it is a way of living, a way of thinking. It carries with it elements of national life that no clattering shuttles and humming wheels can ever supply; in peace, comfort; in war, a guarding arm against starvation. England with a four weeks' parcel of food in August, 1914, ought to have learned this lesson once and for all.

Such a statement provides ample food for thought. Agriculture stands as the very foundation of a nation. The hon. member for Dufferin-Simcoe has rightly said that the "general progress of the dominion depends upon the success of agriculture and. . . upon the soundness of Canadian agriculture depends the future prosperity of this country." I endorse that eloquent sentiment. I regret, however, to say that eastern and western Canada seem to hold different views about agriculture; many people seem to forget that a western farmer is very different from his brother of eastern Canada. Western Canada has developed so rapidly during the last thirty years that the farmers of the west have a very moderate admiration for the farmers of eastern Canada. It seems to me, Mr. Speaker, that before sitting down at the table with the other delegates and devoting many long hours to a study and discussion of the economic proposals submitted by all the sister dominions of the British commonwealth, we should first of all see if our own house is in order. Let us ask ourselves whether eastern Canada thoroughly understands western Canada, and whether western Canada thoroughly understands the east, which understanding must be brought about before we can have the frame of mind which is essential to building a strong national policy.

By the pact of confederation each province has been entrusted with the task of developing agriculture within its boundaries, and the Dominion government has seen to it that the farmers of Canada as a whole have been helped to stimulate Canadian trade at home and abroad and the production of Canadian commodities. Before the construction of the transcontinental railways and the opening up of new provinces in western Canada, the farmers of the east were not rich. They may not have been very progressive, but at least they were thrifty and paid their debts. In 1840 when the union of upper and lower Canada was brought about, lower Canada or Quebec—why should I not be permitted to say this along with many historians?—had no public debt, while upper Canada, or Ontario, had a large debt, which was paid ungrudgingly by the taxpayers of both provinces. Quebec was then more concerned about responsible government and the freedom of her language than with the hoarding of gold. The farmers of Quebec ever since have continued to be humble tillers of the soil. They have devoted themselves to mixed farming, and later, in the eighties, to dairying, which industry was really first organized in the province of Quebec. In this connection may I say that one of the fathers of the dairy industry in Quebec was a very respectable gentleman from Kamouraska, Mr. Edward Barnard, a brother-in-law of the Hon. Senator Chapais, and the father of Mr. J. E. Barnard, the brilliant director of L'Evenement of Quebec. The farmers of Quebec have lived happily near the great St. Lawrence in the charming vales of the eastern townships, close to the grand Laurentian mountains, in their small, white-painted houses near the village church where they find the inspiration and the courage to carry on the work of their forefathers. At the present time the farmers of Quebec like the farmers of all Canada are suffering great distress, but nevertheless they cheerfully fulfil their tasks, and even now should any of my colleagues from the other provinces happen to be travelling along the St. Lawrence they will hear songs like Alouette, and other gay refrains coming from all the homes.

Confederation has brought to the farmers of Quebec new duties towards the other provinces which they have faithfully fulfilled. But the rapid development of western Canada

and the building of railroads have changed the whole economic structure of this dominion. Thousands of emigrants have been induced to go to the western provinces at the expense of the public treasury. I remember that at the beginning of this century, when Laurier was defending his policy of immigration and was being criticized by other parties on account of the disastrous consequences which might follow, that grand old man predicted in biblical language that the twentieth century would be Canada's century. A long procession of immigrants has followed the trail to the west, and millions and millions of dollars have been spent in building railroads and establishing those immigrants on western lands. The crops of wheat of the Canadian west have become fabulous, so much so that Canada has gained the reputation of being the granary of the world.

Canada was then passing through a period of great prosperity and those who were criticizing the policy of the government of the day in the matter of railroads and immigration were accused of being pessimists and of slandering their own country. It is true, Mr. Speaker, that every Canadian must be proud of our western provinces and of their splendid populations and of the courageous manner in which they have fought the depression, but I have no hesitation in submitting that the historians of the future will regret that the farmers of western Canada have been almost exclusively concerned in the extensive growing of wheat.

They were so successful in wheat farming, in real estate speculation and in other fields of speculation that they believed that prosperity would never cease, and sometimes they would throw a scornful look on the farmers of the east who, happily, remained backward. The western farmers have been so powerful in Ottawa that all parties have been begging for their support. Railways have been built for them in almost every district of Alberta, Manitoba and Saskatchewan, and even during this session, Mr. Speaker, when we hear that our railroads, even the Canadian Pacific Railway, are on the verge of bankruptcy, hon. members from the west are urging the government to build a railway in the Peace river valley. Why, Mr. Speaker, should we not more frequently rise in this house and lay our cards openly on the table and say that, fortunately or otherwise, the ideals and customs and mentality of the Canadians of the western provinces are different from that of the east. Professor Leacock in the book to which I have already referred makes a distinction that is worthy of consideration. He says at page 38:

> There is in it an almost creative power that makes a British farmer, in the Greek sense, a poet. In Saskatchewan he is an engineer.

Is there not a good deal of truth, Mr. Speaker, in that contention? The farmers of the west are adventurous and bold engineers. The farmers of Ontario and Quebec are modest and thrifty tillers of the soil. In western Canada the farmers cultivate hundreds of acres of wheat. They raise hundreds of heads of cattle, have each a great number of employees, and use the most modern machinery. The farmers of eastern Canada are not industrialists like their brothers of Saskatchewan, Alberta and Manitoba, but they are nevertheless even more attached to the soil where they and their forefathers have been living for more than two hundred years.

Both the farmers of the east and of the west have contributed in their own way to the progress of this country. However, legislators have too often forgotten that the western farmers were engineers and industrialists and that the eastern farmers were different. If I may be permitted to refer to the Bankruptcy Act, which has permitted farmers to make an assignment of their assets for the benefit of their creditors, who will not now admit that while such legislation may have been suitable to the west it has proved disastrous to the farmers of eastern Canada. No farmer of eastern Canada ever at any time has demanded of the legislators that he be allowed to go into bankruptcy. I do not think traders and manufacturers have ever been less inclined than now to ask for such a remedy. I am sure that is the case, for in my eighteen years of practice before the bar never have I seen the estate of a farmer in bankruptcy pay one cent to the creditors. This is why it is that now in the province of Quebec societies of farmers, chambers of commerce, and members of parliament ask that the law be amended so that farmers be excluded from the jurisdiction of the Bankruptcy Act. Last week I appeared before the special committee of this house which is now considering a general revision of the Bankruptcy Act. Many prominent gentlemen from eastern Canada have appeared before that committee, among others, Mr. R. Messier, acting dominion secretary of the Retail Merchants' Association, Montreal; Mr. Lalonde, president of the Catholic Union of the Farmers of the province of Quebec, comprising 16,000 members; Mr. D'Arcy Leonard, representing the Dominion Mortgage and Investments

Association, Toronto. At page 20 of the first report of the committee, Mr. G. T. Clarkson, the distinguished head of the firm of E. R. Clarkson and Company, who appeared before the committee to represent the Toronto Board of Trade and the Dominion Association of Chartered Accountants, said:

In my opinion a farmer should not be subject to this act.

The other day two prominent gentlemen, the hon. member for Compton (Mr. Gobeil) and the hon. member for Drummond-Arthabaska (Mr. Girouard) moved each a resolution—which unfortunately has not been discussed—asking this government to take the necessary steps to exclude the farmers of Quebec from the jurisdiction of the Bankruptcy Act. Recently members from Ontario and Quebec have received a resolution from the Ontario Education Association asking the government to help reassure the credit of the farmers by excluding them from the operation of the act. Undoubtedly the Bankruptcy Act has ruined the credit of the farmers of Quebec.

Now, Mr. Speaker, may I refer to other legislation which has been disastrous to the farmers of eastern Canada; I mean the law enacted in 1929 creating the Canadian Farm Loan Board. This legislation may have been beneficial to the western farmers, but it has not been at all helpful to the farmers of eastern Canada. The rate of interest is too high, the legal fees incident to the granting of loans are also too high, and the obligation laid upon borrowers to contribute to the special fund is not only unpractical but absurd.

In a period of depression such as we are passing through at the present time we are in a good position to judge whether bankruptcy legislation or legislation for granting loans to farmers is practicable and suitable to the needs of those engaged in agriculture. I would suggest that all the laws concerning agriculture be studied, amended and readapted to suit the needs of the farmers of the different sections of the dominion. The hon. Postmaster General (Mr. Sauvé) was right in his suggestion, that such a move ought not to be taken without consulting the provinces. It will be found that there is too much duplication in the granting of subsidies by federal and provincial governments, and such a situation tends to confusion and criticism. It seems to me that we ought to proceed by way of investigation. I was surprised last Sunday to read in the Montreal Standard that Premier Brownlee of Alberta wants a royal commission to be appointed to investigate agricultural conditions in western Canada. He is said to have declared that people in other parts of Canada, particularly in the east:

Were ignorant of the serious condition agriculture was in.

I will not say, Mr. Speaker, that the west is ignorant of conditions in the east, for such absolute statements are not at all conducive to harmony and cooperation between the east and the west, but I may summarize the views of the people of eastern Canada by stating that sometimes our western friends act as if they were ignorant of the problems which confront eastern Canada. Therefore it seems to me that it is necessary that we investigate agricultural conditions not only in western Canada but throughout the whole country. It does not seem to me to be necessary to have recourse to a royal commission now, but would it not be wise before the Imperial economic conference convenes for all the provinces to send delegates to Ottawa to submit their views with respect to agriculture, such as extension of credit to farmers, the best means of encouraging our live stock, dairy, maple sugar and beet sugar industries, and the sale of all agricultural products.

After the Imperial economic conference I would suggest that the government again invite delegates from all the provinces to meet in Ottawa to try once for all to settle their differences without having recourse to the courts. If we could give to our farmers all the money that has been spent to submit to the courts cases of conflict of federal and provincial jurisdiction, it would be possible to provide for them many beneficial measures of relief. At such a conference we ought to be able to meet in a friendly spirit, to place our cards on the table, and to be ready to make any reasonable compromises that may be necessary. And it would be well to discuss the advisability of giving back to the federal government the Quebec maritime fisheries that were in 1922 wrongfully given to the government of Quebec. This step is demanded by all the fishermen of Quebec, and is the only way to help the fishermen, as was admitted the other day by hon. gentlemen opposite, including the hon. member for Charlevoix-Saguenay (Mr. Casgrain) and the hon. member for Antigonish-Guysborough (Mr. Duff). We ought also to discuss the advisability of buying Labrador. It would be well, too, to discuss some practical scheme of credit for the farmers of eastern Canada. Finally, we should take such steps as to remove all causes of friction between the provinces.

But in the meantime the farmers of eastern Canada are facing an emergency and they cannot wait. Last year we helped the farmers of western Canada; now it is imperative to think of the east. Hon. gentlemen from western Canada, I ask you to help the farmers of eastern Canada. In this respect I do not know of any better scheme than that submitted so eloquently by the hon. member for Dufferin-Simcoe (Mr. Rowe). He suggested that the government grant a bonus or subsidy to encourage the export of agricultural commodities. While we are passing through this economic crisis, stimulation to any avenue of development that will increase employment is surely highly justified, at least while direct relief is being paid out of the treasury. Australia is making a determined effort to sell more meats to Great Britain. May I support the contention of the hon. member for Pontiac (Mr. Belec) and ask the government to try to recapture the bacon export trade which we lost during the war. I think the government should impress upon the delegates at the Imperial conference that it is up to them to help Canadian farmers who, when they went abroad to defend the causes of liberty and civilization, had their avenues of trade in agricultural commodities taken by neutral countries such as Sweden, Norway and Denmark. Since the government are thinking of adopting a policy of direct relief for unemployment the door is wide open for the bonusing of exports of agricultural commodities, and I respectfully submit that such bonuses are necessary because of the present emergency. If we wish prosperity to return we must go to the rural districts and help the farmers create prosperity. Farmers are to save our economic system. Let us save the farmer and communism will vanish.

Let us try to understand each other, gentlemen from the west and gentlemen from the east. Our country is wonderful and we are proud to live in it. Let us secure the future happiness of our children. I respectfully ask my colleagues from western Canada to give us what we are entitled to, and to help our farmers since last year we helped save your western provinces from bankruptcy and ruin. If the French Canadian farmer, for one reason or another, would like to have two or three French words on Canadian bank notes and currency, should it not be a pleasure for our friends and brothers from western Canada to give such a token of courtesy to the four million French Canadians living in this country? With the great development in radio we have found a new way of exchanging ideas and opinions between all the provinces. Let the old French Canadian romances be broadcast over the western provinces, and nothing will prevent cooperation among the different provinces, and the different races becoming closer and more intimate. In these times of sorrow and depression, if the government cannot give bread to all needy people, at least the government may satisfy the souls of the people.

[Mr. Gagnon.]

May I close my few remarks by recalling the words of Right Hon. Winston Churchill, who said that "once more Canada stands on the Vimy Ridge of the empire." I think Vimy Ridge will always illustrate our history. The first time I saw the great painting which hangs on the wall of one of our committee rooms I was greatly impressed by the idea expressed by the painter. At the top of the hill stands a monument dedicated to our heroes by a grateful nation. From the foot of that historic ridge to the top the shades of our soldiers ascend, just as they did on the morning of that memorable day. There they died side by side, Mr. Speaker, brave English Canadians, sturdy Scotch Canadians, gallant Irish Canadians and indomitable French Canadians; there they died, and there their ashes are mingled. They died to give us peace, and now when we are all suffering let peace remain in our souls. Let us forget our differences, and our children will be proud of their fathers.

Mr. W. G. WEIR (Macdonald): Mr. Speaker, in rising to say a few words in this debate may I be permitted at the outset to extend my congratulations to the Minister of Finance (Mr. Rhodes) on the very able and concise way in which he presented his first budget to the House of Commons a few days ago. May I also extend my congratulations to the hon. member for Shelburne-Yarmouth (Mr. Ralston) for the masterly way in which, as the official critic on this side of the house, he replied to the budget speech of the minister. Congratulations are also due to all hon. members who have taken part in the debate, and who have presented points of view pertaining to their own localities and their own interests. May I be pardoned if I do not follow very closely the remarks of the speakers who have preceded me; I desire to discuss a matter which is of some moment to us in the province of Manitoba and for which I may not have any other opportunity of discussing.

I hold in my hand extracts from a return brought down in the house some time ago showing the amount of money advanced by the federal government under the Unemployment and Farm Relief Act to the governments of the four western provinces. It shows

that as of February 26 there had been advanced to the province of British Columbia, $5,664,000; to the province of Alberta, $4,624,000; to the province of Manitoba, $3,205,000; and to the province of Saskatchewan, $16,302,000. It also shows that $6,500,000 was advanced to the province of Saskatchewan for purely provincial government expenses. I do not wish to infer in any sense that the province of Saskatchewan received more money or more federal assistance than it should have received, but I do maintain that the province of Saskatchewan is not five times worse off than is the province of Manitoba. When we see that the province of Saskatchewan was able to secure for purely provincial government purposes some $6,500,000 it does seem passing strange that the province of Manitoba could not obtain some assistance for the provincial savings office.

In his remarks on Tuesday last the Prime Minister stated in effect that it seemed rather hard that when he and his government were confronted with very trying conditions and faced with problems of great magnitude they should be the subject of abuse and a target for criticism. Well, Mr. Speaker, the right hon. gentleman asked for the responsibility, and surely he will not deny anyone the right to criticize his actions. He usually defends his course with vigour and determination, but that is no reason why, if hon. members on this side of the house do not agree with what is being done, they should not have the right to criticize.

I wish now, Mr. Speaker, to refer to two editorials which appeared in Winnipeg newspapers some time ago. The first appeared in the Winnipeg Tribune, which is recognized as the Conservative newspaper in Manitoba, dealing with the closing of the provincial savings office. It is headed "Not Premier Bracken's Fault" and goes on to say:

Whatever other sins he may have to answer for, Premier Bracken cannot be justly saddled with responsibility for the downfall of the provincial savings bank. It is through no fault of his that the institution has been dismembered and its remains fed to the chartered banks.

Mr. Bracken stated his case in the legislature yesterday with moderation and restraint. It is worth noting by the way that a strong case needs no other kind of presentation. The facts speak for themselves without any accompaniment of sound and fury.

The facts speak for Premier Bracken in the circumstances of the constitution of the provincial savings bank and in the manner of its dissolution.

The last thing that was dreamed of or thought possible when the provincial bank was organized was that there could be such a thing as a public questioning of the safety of the deposits. The provincial savings bank was as strong and secure as the province itself. There could be no danger to the deposits short of an upheaval that would put the province of Manitoba under the hammer in a sheriff's sale, a thing that did not happen, will not happen and could not happen.

But the unexpected thing and what seemed the impossible thing did actually happen. Depositors in the provincial savings bank became anxious about the safety of their money. Whisperings grew into street talk. Street talk grew into small withdrawals. Small withdrawals grew into quite general withdrawals. In short there was a run on the provincial savings bank which, continuing in rising intensity over a period of several weeks, absorbed most of the bank's ready cash.

There was an abundance of security behind every dollar of deposits—securities as good as the province of Manitoba itself—but these securities were not liquid in the chaotic market that prevailed. It became a question of the chartered banks advancing money on Manitoba's securities or the Dominion government advancing it. From neither source was the money available. The savings bank, strong in its foundations as the Rock of Gibraltar, had to go.

It has been said that if Premier Bracken had taken the public into his confidence and made a clear statement of the bank's position the withdrawal of deposits would have ceased. That is a bold conjecture.

If Mr. Bracken had publicly intimated that the bank lacked cash assets, but was otherwise sound the chances are that the run would have been intensified. He could only have made a public announcement with safety if he had been able to find the ready money support he was looking for, and invite all uneasy depositors to go to the bank and get their money. That was the only kind of statement to carry assurance to anxious depositors and stop the drain on deposits.

At no time was Premier Bracken in a position to make such a statement. A neighbourly spirit on the part of the Dominion government would have enabled him to do so, but the Dominion government was not in a mood to play that part. It remained a mildly interested spectator while the savings bank took the count.

From the Winnipeg Free Press I should like to read in part the following editorial:

Manitoba has lost an institution deeply rooted in the popular regard, as the fact that it had 40,000 patrons proves, under circumstances injurious to the credit of the province, and therefore detrimental to private interests as well. The disappearance of the bank is not a very favourable advertisement for Manitoba and Winnipeg. The banks, in keeping with the view that he who pays the piper has the right to call the tune, made their assistance, which was necessary to avoid a worse calamity, contingent upon the bank being turned over to them. They thereby removed what was to them a banking eyesore. The banks are not private institutions but public utilities; the propriety of the course which they have followed in this case, will be properly reviewable by the public when the facts are available.

It is known that the province applied to the Dominion government for help and met with refusal. The explanation by the Dominion, when it is made, may be completely satis-

factory. In theory the Dominion is not responsible for Manitoba's financial enterprises; only the supreme consideration of the public safety could be invoked in an appeal such as that made by the province upon the Dominion. But if—as reports in Ottawa seem to indicate—Mr. Bennett, after denying the province, gave the banks aid in taking over the savings bank, the matter takes on a different complexion. But here judgment may well await the explanation promised by the Prime Minister.

Then there is the matter of the reported organized drive against the bank for ulterior purposes. Here there is something more than rumour to go upon. The premier of the province has said that the disappearance of the bank "must be charged in some degree to ill-considered gossip, but in considerable degree to deliberate propaganda." Deliberate propaganda! By whom and to what end? The people will expect further light upon this point.

Following the opening of the Manitoba legislature, which took place after the provincial savings office had closed, a member of the Labour party moved that a special committee of the house be appointed to inquire into the reasons for the closing of the savings office, and bearing directly upon the two editorials I have read, there are a few extracts of interest which I will read from the evidence taken before that special committee. The first extract I want to give is a report of the evidence of Mr. John McGregor, chairman of the board of trustees of the provincial savings bank:

Suspects Organized Campaign

"I suspect that there was an organized campaign behind it," said John McGregor, chairman of the trustees of the provincial savings office referring to the rumours that the institution was unsafe.

"They came out of the blue sky and were so persistent that one must believe they were organized. It is hard to credit any responsible person with doing that. There was no justification at all for these rumours."

The rumours came to the attention of the trustees on January 11, Mr. McGregor said, previously nothing definite had been heard.

In last October the provincial savings office was sound and prosperous, he said. The market value of the office's securities in April, 1931, revealed a balance of $377,000 in favour of the office, compared with the booked value.

In September the value of the securities dropped precipitately, although the number of depositors increased steadily until the end of October. There were, however, unexpectedly heavy withdrawals in November, 1931, to purchase national service loan bonds.

At this point I may say that there was withdrawn from the provincial savings bank in Manitoba, presumably for the purpose of buying national service loan bonds, the sum of approximately one and a quarter million dollars.

Mr. McGregor stated that the office had been liquid up to that time, although a credit of $1,000,000 had been obtained from the banks as a precautionary measure against any drop in bond values.

E. J. Jewers assured Mr. McGregor that there had been no great demand for deposits, but shortly after January 11, Mr. Jewers informed him that the withdrawals were becoming steady. A meeting of the trustees was called that afternoon and it was decided to advertise the soundness of the office to offset the rumours.

Royal Burrit, trustee, declared that political attacks on the financial position of the province were, indirectly, attacks on the provincial savings office. The condition of the office and of the province was closely related and any political speech prior to the closing belittling provincial financial affairs was also a blow at the office.

Great Britain's dropping from the gold standard seriously affected the position of the savings office, he stated. But all banks were likewise affected. The serious situation in the securities markets after Britain's action resulted in most banks being not actually liquid.

As a matter of fact, he continued, chartered banks to-day were permitted in their financial statements to value their bonds as of June, 1930, because at present bond prices none of them would be liquid.

The provincial savings office was the victim of circumstances, he continued. It was not at any time insolvent; only its liquid position was ever affected seriously and until the run its liquid position was sufficient to meet all depositors' demands.

Continuing with the evidence taken before that special committee, as reported in the press from day to day, I find the following:

Testifies Newton Advised Him To Withdraw Savings

Grandview Auto Dealer Tells of Conversation with Conservative Member for Roblin

F. Y. Newton, Conservative member for Roblin, in the first week of February advised a friend to withdraw whatever money he might have deposited in provincial savings office, a special legislative committee investigating the closing of the savings office was told Wednesday afternoon.

This testimony was taken from J. F. Orr, automobile dealer at Grandview, Man., who said he had talked with Mr. Newton in Roblin some time during the first week of February.

Before he named the Conservative member of the legislature, Mr. Orr said that a friend had told him that if he had any money in the provincial savings office, he should withdraw it. It was also suggested that Mr. Orr should advise any of his friends to withdraw their savings.

Questioned, Mr. Orr said that the friend who had given him the advice was Mr. Newton.

The next evidence taken before the committee is reported as follows:

Tell Of Warnings By F. Y. Newton To Take Out Savings

Schweitzer Also Quoted at Inquiry Into Provincial Savings Office

Prominent Conservatives early in February advised friends to close accounts in the pro-

vincial savings office, witnesses Thursday told the special legislative committee investigating the closing of the savings office.

Two witnesses from Dauphin described how F. Y. Newton, Conservative member for Roblin, had warned that the institution was not safe and advised them to take out their money and to tell their friends to close their accounts.

Val. E. Schweitzer, Conservative party organizer, told a friend that the savings office was "broke" and that he should withdraw his money another witness testified.

It was H. L. Pulford, a depositor in the provincial savings office, who said that the Conservative party organizer had advised him to close his account. Mr. Pulford was questioned by Hon. W. J. Major, attorney general.

The next evidence, dated April 4, 1932, reads:

Willis Urged Brother To Withdraw Savings
Legislative Committee Probing Closing
Hears of Wire From Member for
Souris

Brief but decisive warning of the closing of the provincial savings office came to a depositor from a member of the Dominion parliament, it was revealed, Saturday, when the special legislative committee investigating the closing of the savings office resumed its inquiry.

This warning was contained in a telegram to Trevor Willis, and it came from his brother, Errick Willis, M.P. for Souris, who was in Ottawa. The telegram read:

"Withdraw money from Donald and Ellice."

This is the location of The Province of Manitoba Savings Office.

The committee also examined J. T. Haig, Conservative member for Winnipeg, questioning him to determine the source of rumours which had prompted the Conservative member to write to Premier John Bracken asking whether the provincial savings office was safe.

The coincidence that Mr. Haig's political speech in Brooklands, on February 15, had accurately, although stated interrogatively by Mr. Haig, revealed why Premier Bracken had summoned the legislature, was emphasized in the examination of the Conservative member.

Later on in the evidence Mr. Haig stated that he had communicated his uneasiness about the provincial savings office only to Premier Bracken and Colonel F. G. Taylor, leader of the Conservative party. When questioned as to whether he had discussed the position of the provincial savings office with anyone else, he said he had not. He then added that he might have talked to Dr H. C. Hodgson, president of the Manitoba Conservative Association.

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

Mr. WEIR (Macdonald): Yes.

Mr. WILLIS: Would the hon. member put on Hansard the evidence regarding myself?

Mr. WEIR (Macdonald): I have just read it.

Mr. WILLIS: I refer to the evidence taken at the inquiry.

Mr. WEIR (Macdonald): I have just read it.

Mr. WILLIS: The hon. member has not read a word.

Mr. WEIR (Macdonald): The hon. member can read that himself.

Mr. WILLIS: I am very thankful.

Mr. WEIR (Macdonald): I think the statement made by the right hon. the Prime Minister (Mr. Bennett) on Tuesday last and again to-day will not satisfy the public interested in this question. Among other things the Prime Minister stated that when he met Premier Bracken and E. K. Williams on January 26 they had stated they had come to the conclusion that they should close the provincial savings office, the inference here being that before the province of Manitoba approached the Dominion government it had decided that these offices should be closed. However, the Prime Minister failed to advise the house of any efforts made to solve this problem by Premier Bracken at the meeting on December 6 with the present Minister of Finance (Mr. Rhodes) or of the meetings held on December 22 and 28 with himself. No reference whatever is made to what took place at these meetings. It does seem inconceivable that the premier of Manitoba should be willing to close the provincial savings offices which had over 40,000 depositors and which were earning for the government of Manitoba upwards of $100,000 yearly. More than that, it was repeated several times during the negotiations by Mr. Bracken that the banks would lend the money to the Dominion government which in turn could lend it to the Manitoba government for the provincial savings office. As I say, nothing is mentioned of the conversation between the Minister of Finance (Mr. Rhodes) and Mr. Bracken during the meeting on December 6 or of the discussion of Mr. Bracken and the Prime Minister on December 22 and 28. It has not been confirmed or denied whether Mr. Bracken asked for dominion assistance in order to keep the savings offices open at these conferences. I think this is important and I contend that we should receive a direct answer, yes or no, from the government as to whether Mr. Bracken did ask for dominion assistance at that time. Even if that statement is not forthcoming, the situation presents itself to me in this way. In order to protect the depositors, Mr. Bracken had to have money available to meet withdrawals. The Dominion government as such

had no money for such purposes and, naturally, Mr. Bracken endeavoured to secure the money needed from the banks and the banks in turn advised him of the terms upon which they would advance the money. Those terms were as stated by the Prime Minister, namely, that the banks would lend the money to the Dominion of Canada which in turn could lend it to the province to meet the claims of the depositors. The Prime Minister says that on January 26 he declined to do this. In a letter to the Minister of Finance dated January 30, Mr. Bracken urged the necessity of some assistance being forthcoming immediately. On February 4 Mr. Bracken wired the Prime Minister as follows:

Confidential message being transmitted to you through Bank of Montreal. Would appreciate sympathetic consideration.

The Prime Minister replied to that telegram in code to the effect that no action should be taken until Monday, and asked for details of the standing of the bank. Mr. Bracken replied by wire in accordance with the Prime Minister's request. On February 9 the Prime Minister wired Premier Bracken as follows:

You will be advised by code telegram to-morrow the terms on which your proposals will be accepted.

The code telegram sent to Mr. Bracken, and to which the Prime Minister must have given his approval as it was sent from Ottawa, differs considerably from the letter placed on record last Tuesday by the Prime Minister. This letter is from the Bank of Montreal, is dated Winnipeg, Manitoba, February 11, 1932, and reads:

The Hon. John Bracken,
Premier of the Province of Manitoba,
Winnipeg, Manitoba.
Sir:

I am asked to convey to you the following telegram received late yesterday afternoon from Mr. S. H. Logan at Ottawa.

This is the telegram which the right hon. Prime Minister advised Mr. Bracken he would receive. The letter continues:

The telegram reads as follows:

Referring to your previous conversations with bankers and also with the Prime Minister of Canada and the Prime Minister's message to you last night banks represented in Winnipeg are willing to assume deposit liabilities if you address a communication in the following terms to them. Delivery of such communication can be made to the Bank of Montreal, Winnipeg, signed S. H. Logan on behalf of banks represented in Winnipeg. Communication is as follows: "Referring to my verbal intimation to you a short time ago, the government of the province of Manitoba has reached the conclusion that under present conditions the public interests will be best served by the closing of the provincial savings offices operated under chapter 174 of the Consolidated Amendments Statutes of province of Manitoba, 1924, and amendments thereto if adequate provision is made for the liquidation of all deposit liabilities in connection therewith, I submit on behalf of the government for your consideration the following—First: If the chartered banks represented in Winnipeg are willing to arrange to assume all outstanding liabilities to depositors in the offices operated under the provisions of the said chapter 174 the government of province of Manitoba will within a period not exceeding fourteen days from the date hereof convene the legislature and repeal said chapter 174 and amendments thereto. Second: In consideration of assuming such liabilities steps will be taken at the forthcoming session of the legislature through appropriate legislation to authorize the issue of treasury bills of the province payable one year after date and bearing interest at the rate of 5½ per cent per annum payable semi-annually. Pending the enactment of the necessary legislation such bills will be issued by the province of Manitoba to an amount equal to such liabilities as and when assumed and will be delivered together with as collateral security all securities now held by said savings offices to such chartered banks and the legislature will confirm the regularity of such issues of treasury bills. Third: It is the wish of the government that as soon as may be the chartered banks through a committee of their own if these terms are acceptable to the banks shall take charge of all such offices and the conduct and management of all business connected therewith and the liquidation thereof it is understood that the banks will not take over the staff and that the government of province of Manitoba will be responsible for rent and other expenses."

I have the honour to be, sir,

Your obedient servant,

(Sgd.) R. E. English,
For Assistant General Manager.

That letter is considerably different from the one dated February 16, which the Prime Minister placed on record on Tuesday last. Five days had intervened between the sending of the two letters, and perhaps a reference to the rest of the correspondence will indicate just what transpired. It will be noted that the Prime Minister told Premier Bracken that he would be advised the following morning as to the conditions under which the banks would come to the assistance of the Manitoba savings office. The following is a copy of the telegram sent by Premier Bracken for transmission in code to Mr. S. H. Logan, Toronto, Ontario, dated Winnipeg, February 11, 1932:

For some time the government of the province of Manitoba has been giving careful consideration to the position of the provincial savings offices and has now reached the conclusion that if adequate provision is or can be made for the liquidation of all deposit liabilities in connection with the provincial savings offices operated under chapter 174 of the Consolidated Amendments Manitoba, 1924, and amending acts the public interest, under existing conditions, would be best served by the closing of the offices.

Therefore, on behalf of the government I submit the following for your consideration.

1. If the chartered banks represented in Winnipeg are willing to arrange to assume all outstanding liabilities to depositors in the offices operated under the provisions of said chapter 174 the government of the province of Manitoba will at once issue treasury bills of the province payable one year after date and bearing interest at the rate of five and a half per cent per annum payable semi-annually to the extent of such liabilities and will ratify the same at the ensuing session of the legislature which will be convened to meet within the next three weeks.

The banks asked for two weeks.

2. Pending such ratification such bills will be issued by the province to an amount equal to such liabilities as and when assumed and will be delivered together with, as collateral security, all securities now held by said savings offices to such chartered banks. When such legislation receives assent such collateral security will be returned to the province.

3. If this is acceptable to the banks the government will give an assurance that it will discontinue the receipt of deposits in such or any other offices.

The banks asked for the repeal of the statute.

4. In this event the banks would probably desire to take charge of all such offices and the conduct and management of all business connected therewith and the taking over of the same. The government expresses the hope that the banks would be able to absorb the present staffs of the offices and that if the banks needed to keep or use the present premises for any substantial period of time they would assume the rent and other expenses.

That is the form of the letter in which the Prime Minister refers to the conditions under which assistance would be given as of February 11. Then on February 13 we find the following reply from the banks to Premier John Bracken, as follows:

The Hon. John Bracken,
Premier of the Province of Manitoba,
Winnipeg, Man.

Sir:

We are asked to convey to you the following telegram which was received last night from Mr. S. H. Logan, through our Ottawa branch:

"First: Banks will not object to an additional week for convening of legislature for purposes mentioned in my telegram of 10th instant.

Second: As collateral security referred to represents deposits and was acquired therewith logically such security must be held until treasury bills are paid and any realizations therefrom in the meantime should be applied on treasury bills.

Third: The banks do not think it would be reasonable for the statute to remain unrepealed. The banks readily accept the declaration of the government that they will not reenter the savings deposit business but to leave the statute outstanding would allow any future government to act under its provisions as such future government would not be bound by the undertaking referred to and could state that the fact that the statute remained unrepealed was clear indications that the statute was to be a part of the policy of the province.

Fourth: Regret that banks with staffs already larger than conditions warrant cannot see their way clear to accept suggestions in this behalf. Banks will not need to continue occupancy of savings offices premises. Signed, S. H. Logan on behalf of banks represented in Winnipeg."

I have the honour to be, sir,

Your obedient servant,
R. E. English,
For Assistant General Manager.

Premier Bracken replied to this in a telegram February 13, 1932, as follows:

Copy of telegram from Premier Bracken to Mr. S. H. Logan, Toronto, for transmission in code.

"Paragraphs 1, 2 and 4 acceptable. If banks insist the government will agree to introduce legislation repealing act but cannot ensure it will be passed and will probably have to inform house it is being brought in at request of banks. Please reconsider this point and let us have your decision on it.

The reply of the banks to that telegram is as follows:

Winnipeg, Manitoba,
February 15, 1932.

The Hon. John Bracken,
Premier of Manitoba,
Parliament Buildings,
Winnipeg, Man.

Dear Sir:

I am asked to convey the under-noted message to you from Mr. S. H. Logan on behalf of the banks interested in Winnipeg. The message reads as follows:

"Referring your message of Saturday, have consulted banks who are agreeable to waiving the repeal feature provided legislature is convened within two weeks from to-morrow since over one week has gone by since these negotiations started. Please advise."

Yours faithfully,
J. W. Spears.

Premier Bracken replied in the following wire, dated February 15, 1932:

Copy of telegram from Premier Bracken to Mr. S. H. Logan for transmission in code:

"Wire received. Legislature called 29th. Writing officially to-morrow."

Now we come to the letter which the Prime Minister placed on the record on Tuesday last, which is the same letter that was placed before the special committee in Winnipeg, and which sets out the details of the arrangement finally entered into between the Manitoba government and the banks. I submit, however, that this letter is not the same as the one which the banks sent to the premier of Manitoba on February 11, and which the Prime Minister of this country advised was being sent. It eliminated the demand which the banks made for the repeal of the statute, and it also allowed the government one week's

extra grace for the calling of the provincial legislature. That is all I wish to say in regard to the correspondence which has taken place between the Manitoba government and the banks, except to place on record the last paragraph of a letter dated February 18, 1932, from Mr. J. W. Spears, of the Bank of Montreal, to the Hon. John Bracken, premier of Manitoba. The first part of the letter merely sets out the details of the arrangements. The closing paragraph reads:

> You have referred in a number of conversations with me to the matter of the time of making a public announcement. This is being considered and I expect to hear from the eastern banks to-day or to-morrow. In the meantime our last advice to you was that no announcement should be issued until arrangements have been made by the chartered banks to take over the deposits in their own branches, and also that the banks would like to be consulted by you regarding the form of the announcement.
>
> Yours faithfully,
>
> J. W. Spears.

Two things are significant from the correspondence which I have read: first, the Prime Minister must have known of the demands which the banks were making on the province of Manitoba in assisting the savings office, and, second, the banks demanded of a provincial government that it call its session within fourteen days to repeal a statute which affected them. I ask the house who is the government of this country and whether or not they feel comfortable under a financial system whereby our banking institutions can dictate the policies of our governments.

The Prime Minister may feel that he was right in the course he followed, but in view of the circumstances surrounding the closing of this institution and the demands that were put up by the banks to the province of Manitoba, I think the public will say that he made a very grave mistake in the manner in which he handled the Manitoba savings office. More than that, the Prime Minister, in refusing to give assistance to the Manitoba savings office, was subscribing to the intrigue of his political friends in the province of Manitoba, who, it has been shown in evidence, were endeavouring for political purposes, to shake public confidence in this institution.

I contend that the Prime Minister could have given Mr. Bracken a letter similar to the one he gave to the banks, guaranteeing them against loss. That is all that would have been necessary. The run on the bank would have stopped and the institution would have been able to resume its regular routine business. May I point out that this was merely a letter of guarantee to the banks and not even an order in council.

When this government could pass an order in council to allow insurance companies to value securities as of June last; when it could guarantee the banks, on the Beauharnois project, "a private concern," to the extent of $8,000,000 to $10,000,000 and probably $14,000,000; when it could advance to Saskatchewan $6,500,000 for ordinary governmental expenditures; when it could guarantee the banks even in this case in taking over the provincial savings office, surely it cannot justify its attitude in permitting the chartered banks of this country to gobble up the province of Manitoba savings office. I am afraid that the Prime Minister will have to remain, in this connection, subject to abuse and the target of criticism which he feels is so unjust and unfair.

Mr. J. L. BOWMAN (Dauphin): Mr. Speaker, I am sure the hon. member for Macdonald (Mr. Weir) will pardon me if I do not join issue with him in regard to the subject which he has been discussing this afternoon. I came prepared to speak entirely on the Canadian National Railways. It would have been a great pleasure to have replied to the arguments presented by him in the house. After all, in respect to the savings bank of Manitoba, there are two outstanding facts: first, that the bank failed because of bad management on the part of the provincial government; second, that the Dominion government, by intervention, saved 42,000 depositors from, to say the least, a great deal of inconvenience and perhaps loss of money. Apart from that, I shall not say anything further. As hon. members are well aware, a provincial election in Manitoba is not very far distant when this issue will be fought out on the public platform of that province, and so far as we on this side are concerned, we shall be glad to join in any such issue as this.

May I join with other members of the house who have preceded me in extending felicitations to the Minister of Finance (Mr. Rhodes) on the very able manner in which he presented his budget and on the fact that during these difficult times he has been able to balance his budget?

With these few preliminary remarks I turn my attention to a discussion of what has again and again been stated to be one of the major problems facing Canada to-day. I could not understand the hon. member for Brome-Missisquoi (Mr. Pickel) stating that the Canadian National railway system should be put into the hands of a receiver or sold to the

Canadian Pacific Railway Company. Surely a proposition of that kind cannot be supported.

I was very pleased indeed to hear the explanation made yesterday by the hon. member for Stanstead (Mr. Hackett) with respect to a speech which he had previously made in this house, and as to the meaning of which there may have been some doubt. He stated that he was not in favour of any merger of the Canadian National Railway with the Canadian Pacific Railway. I followed very carefully the remarks of the hon. gentleman, previously made; I had read in full the speech which he delivered to the Canadian Club in Toronto on the Canadian National Railway, and I must say that I rather gathered from those two addresses that the hon. member did have in mind that the Canadian Pacific Railway might perhaps consider purchasing the Canadian National Railway. The reason I say that is that in his address at Toronto the hon. member made the statement that a purchaser might be found. Now when one thinks of any organization or corporation taking over an institution of the size and importance of the Canadian National Railway most people in this country would conclude that there is only one corporation in Canada that would be capable of doing it. I must say, however, that I do not think the hon. member for Stanstead gave his usual consideration to the proposition which he advanced in the house yesterday afternoon. As I understood that proposition it was this, that in all probability we would have to wait for a year before the royal commission on transportation would bring down its report, and that in the meantime the two companies be requested to pool their operations, whereby the hon. member thought a saving of eighty million dollars in one year might be made. May I point out to the hon. member for Stanstead just what that would mean? Calculating on the same basis as last year when economies accounted for a saving of $26,000,000 in the operation of the Canadian National Railways, $14,000,000 of which was in wages, to effect economies amounting to $80,000,000 would mean that between thirty and forty thousand railway employees would have to be taken out of the service of the two railway companies immediately. That would be the result of following out the suggestion of the hon. member for Stanstead if the saving he suggests might be made were put into effect. I am sure that neither he nor any other member of this house would at this time suggest that thirty or forty thousand more railway employees be thrown out of employment without notice and without an opportunity to make preparation for the future.

In dealing with this question I purpose touching as briefly as possible on certain phases of the development of the Canadian National railway system, and of the problem as it exists to-day. All hon. members of the house are fully aware of the conditions under which the Canadian Northern, the Intercolonial, the National Transcontinental, the Grand Trunk and Grand Trunk Pacific were merged into one great corporation called the Canadian National railway system. I would draw attention to this fact, that at the time of that amalgamation, it was really a merging together of bankrupt concerns. The Grand Trunk Pacific was in the hands of the receiver, the National Transcontinental was still in the hands of the government; the Canadian Northern Railway had failed in its ability to carry on during the war period and had secured financial backing from the provinces and federal government; the Intercolonial had shown deficits year after year, and the Grand Trunk had been dragged down to the verge of bankruptcy by the contract which it had made for the operation of the Grand Trunk Pacific. It must be borne in mind that during those years of the merger, 1919, 1920, 1921, 1922, we were paying out immense sums to meet the deficits of these railways, as follows: 1919, $55,000,000; 1920, $80,000,000; 1921, $70,000,000; 1922, $58,000,000. It must be borne in mind that at that time we had a medley of bankrupt concerns operating as separate and distinct entities, and operating at tremendous losses, with a great preponderance of main line mileage over branch line mileage, and with forty-one per cent of the roads out of the hands of the construction contractors only within the previous ten years. These railways were equipped as one might expect bankrupt concerns to be equipped. The first step for the new management of 1922-23 was to construct additional branch lines and to furnish the roads with proper equipment. To mention only a few of those items. Between 1923 and 1930 the following sums were spent; for branch lines, $65,000,000; permanent ways and structures, $106,000,000, of which $20,000,000 was spent in one item alone for creosoted ties; freight cars, $71,000,000; new passenger cars, $29,000,000; locomotives, $36,000,000; telegraph lines, $7,000,000. One could go on giving similar sums which were spent in that way. It must be remembered when we speak of the tremendous sums of money which were put into these railways that we knew what kind of a bargain we were making when we took them over. We

knew that large sums of money would have to be spent to enable the railways to operate as an efficient and economical unit.

I will admit that expenditures have been made which should not have been made. I do not think that there is anything to justify from fifty to one hundred million dollars being spent on terminals in the city of Montreal. I do not think there is anything to justify the tremendous sums of money that have been spent on the hotel system or on the triangular service on the west coast. The management of the Canadian National Railway undoubtedly made the same mistakes that other great institutions made. What great corporation during the boom years of 1927 and 1928 did not spend immense sums of money that should not have been spent? Nevertheless it must be borne in mind that during this period there has been built up a tremendously efficient transportation machine showing a vast improvement in the efficiency of labour, in mechanical power, in rolling stock and in every other department of railroading. This advance might be summed up by stating that in 1928 there was 31.5 per cent more traffic handled than in 1920 with 220 fewer locomotives and 3,370 fewer cars. It can be truly said that the Canadian National Railways can handle freight and passenger service as economically and as efficiently as any railway organization in the world. During this same period there has grown up among the employees an esprit de corps unexcelled in any similar institution on the face of the globe.

Now, with respect to these expenditures, might I point out that they are behind us, and that we have a well-equipped road ready to handle traffic as economically as any railroad on the American continent.

It devolved upon this new management to coordinate these roads into one great efficient transportation machine and to take every possible means to make the system pay. Just how far the management have succeeded in the performance of this duty under the circumstances which subsequently arose is perhaps a matter of diverse opinion. In times of depression like the present one is apt to stress, to the exclusion of everything else, the monetary loss and the tremendous sums of money from time to time put into this great enterprise. May I take the liberty of reminding hon. members of some of the obstacles with which the management have been faced. First of all, with respect to motor vehicle competition. The first year there were any registrations of motor vehicles was in 1907 when the number was 2,130; in 1910, 8,967; in 1915, 89,944; in 1920, 407,064; in 1921, 513,821; in 1925, 728,005; and in 1930, 1,239,888—or in the last fifteen years between 1915 and 1930 an increase of 1,289 per cent. The first year that trucks were segregated in the registrations was in 1922, when 37,610 trucks were registered; in 1925, 74,489; in 1930, 165,464. In that same year the registrations of buses were 2,098.

Now, commensurate with this increase in the number of motor vehicles doing business in Canada, there has been an increase in highway mileage, until in 1930 we had 394,372·7 miles of highway, as compared with 42,075 miles of single line railway, 14,567 miles of second and third main track, industrial track, yard and sidings. I am quite free to admit that in the matter of short hauls at certain seasons of the year the motor truck certainly has an economic advantage over the railway. But may I point out that the competition as between the railways and the motor vehicles is most unfair, in that the railway companies are under the regulations of the Board of Railway Commissioners; their rates are fixed by the board; if they want to close a station they have to appeal to the board for approval; once passenger or freight service is established it cannot be changed without approval of the board, and so on all the way down the line. There is no similar or analogous regulation in respect to motor transportation, and rates can be changed overnight. So we have this situation to-day, that the motor truck is carrying the freight upon which the railways charge a high rate and leaving to the railways the bulky and heavy freight such as grain, lumber and similar products. If this competition continues it simply means the whole rate structure of Canada will have to be changed. In the event of change it must be borne in mind that our grain cannot carry any higher transportation charges, otherwise it may mean considerable damage to our export trade. Then, too, railway employees have to undergo a severe medical examination to show they are physically qualified to carry on their duties; no such analogous requirements are made of the drivers of motor trucks or buses. It must also be remembered that the railway companies as common carriers are liable for negligence, and as responsible parties they have to pay damages in the event of being held liable by our courts. Most of the operators of motor trucks and motor buses do not carry any insurance, and in many cases are owned by irresponsible parties, so that it is impossible to recover damages from them. And it must not be forgotten that the railway com-

panies operate upon their private right of way, constructed at their own cost, while motor transportation service is carried on on the public highway by corporations and persons operating for private gain.

These differences must be adjusted in fairness both to the railways and to the motor vehicles. I am satisfied that when that adjusment does come it will mean increased revenues for the railway companies. Not only so, but if by some coordination of the services a considerable portion of the motor business could be merged with the railway operations it would give employment to many railway employees who to-day are unable to earn a livelihood because of lack of work brought about by the shrinkage in railway traffic. In an article appearing in the March issue of Commerce of the Nation, under the heading "They Enjoy but Don't pay," Mr. A. D. Ferguson, of the bureau of economics of the Canadian National Railways, estimates that the reduced annual revenue of the railway companies of Canada through motor competition is $41,000,000, made up of $17,000,000 in passenger transport and $24,000,000 in freight transport. That was one obstacle to the success of the Canadian National Railway system.

Then, too, may I call the attention of the house to something else. It is generally conceded that in order to operate successfully and at a profit a railway company must have a gradual increase in traffic year after year. As hon. members are well aware, that has not been the case in Canada, though between 1923 and 1928 the revenues of the company have substantially increased. The figures are as follows:

RAILWAY OPERATING RESULTS—CANADIAN NATIONAL RAILWAYS
1923-1931 (Inclusive)
(Including Eastern Lines Accounts, but Central Vermont for 1930 and 1931 only)

Calendar Year	Gross Operating Revenues	Gross Operating Expenses	Net Revenue from Railway Operations
	$	$	$
1923.....	254,926,456	234,689,893	20,236,563
1924.....	235,588,182	218,343,931	17,244,251
1925.....	244,971,203	212,706,788	32,264,415
1926.....	266,187,825	219,704,633	46,483,192
1927.....	268,704,294	229,175,600	39,528,694
1928.....	304,591,268	249,731,695	54,859,573
1929.....	290,496,979	248,632,274	41,864,705
1930.....	250,368,998	228,288,023	22,080,975
1931.....	200,505,162	199,312,995	1,192,167

Surely the fact that the population of this country has not increased as was anticipated, and that the business is not there to be done, cannot be blamed on the management.

Another obstacle to the profitable operation of this railway system has been the period of depression through which we are passing at the present time, but I do not know that this depression is without its blessings. With respect to the Canadian National system at least it has called to the attention of the country the seriousness of the problem with which we are faced, and I am sure hon. members of the house were gratified to learn that the estimate for capital requirements and deficit for the coming year has been fixed at some $71,000,000, or $41,000,000 less than the requirements for last year. I think the management are to be congratulated in setting up the finance committee and in making the economies which have been made. When the minister spoke on this subject he pointed out that economies last year amounted to some $13,000,000, and that for the coming year further economies would amount to an additional $15,000,000. In an editorial which appeared in the Toronto Globe shortly after the remarks of the minister on the tabling of the annual report of the company I find this paragraph:

> The Globe sincerely congratulates the Minister of Railways on the needed economies which he has brought about—or rather which he insists that the management has brought about—in the operation of the National system. That the past period of prosperity and reckless rivalry in competition induced unwise and unwarranted expenditure is beyond question. Doctor Manion has given the country good service in insisting upon a return to sanity in enterprise and outlay. Retrenchment and rigorous economy—easy to preach but difficult to practise—must necessarily dominate the administration of the system for some years to come. Yet, at the same time, equally in the interests of the people who own the railway, there must be constant care that rigorous economy does not become crippling economy.

One would gather from the remarks of some hon. members that there was a vast difference in the results of the management of our two great railway systems. Let me quote from an editorial which appeared in the Winnipeg Free Press of April 6, 1932:

> Canadian National railway operating revenues fell off in 1931 by $45,000,000. For the Canadian Pacific the corresponding figures are $40,000,000. Bearing in mind the difference of mileage and volume of business, the parallel is decidedly close. Operating costs were cut on the Canadian National $26,000,000, on the Canadian Pacific $27,000,000; freight reductions, Canadian National $31,087,127, Canadian Pacific $24,427,239; passenger reductions, Canadian National $8,439,816, Canadian Pacific $8,428,192. If there is any disparity in the earnings of the company in the final analysis, it pretty well resolves itself down into a question of density of traffic.

The only remedy for our railway is more trade, more business, more population. All that the people of Canada can reasonably ask of the Canadian National management is that they should protect the property at the lowest possible cost to the public against the time when there will be a revival of prosperity.

The mention of economies naturally brings up the matter of railway employees, and coming as I do from a railway centre I must confess that when I hear of these tremendous reductions I feel that groups of railway employees scattered all over the country are bearing the burden of these economies. To-day I received a letter from a man working in the shops at home. He has been employed there for some twenty-five or thirty years, and he tells me that the following reductions have been made in his salary in the last two years: First a day a week was taken off, which meant a reduction of $27 a month; then came the ten per cent reduction, amounting to $14 more and, within the last week or ten days he has been asked to take a further reduction of a day a week, which will amount to $27 more. This means that in the last two years his salary has been reduced by $68 a month. We should take these matters into consideration, and we should bear in mind that one of the invisible benefits to Canada from the operation of the Canadian National railway system is that last year there was paid in wages by the company the sum of $126,950,841, and that the average number of employees was some 91,416. Of every dollar spent by the railway company 63⅔ cents went for labour, while 9 cents went for fuel This $126,000,000 spent in Canada means a tremendous purchasing power and a tremendous consumption, so the welfare of our railway employees is of vital importance to every citizen of this country. These employees have taken salary and time reductions, and some are out of employment entirely. In my own town there are men who have been with the system for fifteen or twenty years, in which time they have acquired seniority rights, nevertheless to-day they are unable to hold a job at all. They may work for two or three months in the course of a year. There is no more loyal body of employees to be found in any institution or corporation in the world than is to be found working for the Canadian National Railways to-day, and it does seem to me that considering their importance to Canada and the purchasing power they represent, together with the fact that with their dependents they number about 400,000 people, they should have greater representation on the board of directors of the company as well as on any other board which has to do with hours of work, rates of pay and other related matters.

It must also be borne in mind that during these years of efficiency in operation and economy in handling passenger and freight traffic, during this speeding-up process, the number of injuries to employees has increased to a remarkable extent. In 1915, the number of railway employees injured was 2,573; in 1920 it had increased to 7,719; in 1925 it was 8,256, and in 1929, 12,483. This is all the more reason why someone who is thoroughly familiar with the risks involved in the work should be on the boards which regulate the terms and hours of service.

There is another invisible benefit to Canada from the operation of the Canadian National railway system. I refer to the benefit that has resulted from colonization and settlement. I often think that this benefit is entirely overlooked. When the hon. member for Brome-Missisquoi (Mr. Pickel) talks about handing the railway system over to a receiver, which I presume means the dissolution of the whole system, he should surely bear in mind that we owe something to the maritime provinces in respect to the operation of the Intercolonial railway, and something to the remote districts that have been opened up and colonized through the operation of the Canadian National railway system. It should be remembered also that a vast amount of new wealth is being produced annually as a result of the settlement of those areas through the Canadian National Railways. In 1928, the Canadian National Railways handled, in grain products, 301,741 cars; live stock, 61,847; coal, 92,496; lumber, 112,459; pulpwood, 99,458; pulp and paper, 61,654; other forest products, 83,827. Most of these products have come from territory contiguous to the Canadian National railway system, and would not have been produced at all had not the system opened up and given means of transportation to and from these various districts.

Mr. SANDERSON: I take it from the remarks of the hon. gentleman that he entirely disagrees with the observations of the hon. member for Stanstead (Mr. Hackett) and those of the hon. member for Brome-Missisquoi.

Mr. BOWMAN: I have already covered that.

Mr. SANDERSON: My hon. friend has skirted around the subject. Does he disagree with the remarks of those hon. gentlemen?

Mr. BOWMAN: Surely the hon. member heard me. I have made it quite clear that I

disagree with every word said by the hon. member for Brome-Missisquoi.

Mr. SANDERSON: And the hon. member for Stanstead?

Mr. BOWMAN: And I have explained how far I disagree or agree with the hon. member for Stanstead. If there is one thing that can be said to clinch the argument for the continuance intact of the Canadian National Railways, it is the opinion expressed by certain members of this house and, recently, by Sir Henry Thornton before a committee of this house. At page 1644 of the 1932 Hansard, the Minister of Railways (Mr. Manion) stated that had freight rates in Canada been the same as in the United States, $15,000,000 to $26,000,000 more would have been earned by the railway company. And the hon. member for North Waterloo, at page 3987 of Hansard of 1931, said that if the freight rates in Canada were as high as in the United States, the Canadian National Railways would not be registering deficits but would be showing profits. Sir Henry Thornton, speaking before a committee of this house recently, declared that Canadian rates were the lowest in the world and that, had the Canadian railways enjoyed the same rate scale as the United States roads since 1923, the Canadian National Railways would not only have been able to pay interest on all funded debt owed to the public, but would have had $20,000,000 over. Surely if there is anything to be said with regard to freight rates, so far as Canada and the United States are concerned, if population and density of traffic indicates anything, if climate and terrain count, the facts are all in favour of a higher freight rate in Canada than in the United States.

Mr. SANDERSON: Will the hon. member permit another question?

Some hon. MEMBERS: Order.

Mr. BOWMAN: No; the hon. member knows I have only one minute left.

Mr. SANDERSON: The hon. gentleman surely will allow me to ask this question. Is he in favour—

Some hon. MEMBERS: Order.

Mr. SANDERSON: Is he in favour of the amalgamation of the Canadian Pacific Railway and the Canadian National Railways?

Mr. BOWMAN: Absolutely no; not under any circumstances.

Mr. SANDERSON: Thanks.

Mr. BOWMAN: I think it would be the greatest calamity that ever befell Canada; it would be a government of railways and not government by this house.

Mr. SANDERSON: Thanks for answering the question.

Mr. BOWMAN: May I conclude with this statement. Bearing in mind:

(1) That the cost of rebuilding and equipping this great railway system is behind us and that in it we now have a railway capable of handling passenger and freight traffic as efficiently and economically as any of the great railways of the world;

(2) That this system is operated by men highly capable of performing their respective tasks and duties and who are loyal to the system to the last degree;

(3) That the problem of motor transportation competition must of necessity be soon adjusted to the benefit of both the railways and the various means of motor transport;

(4) That vast benefits continue to accrue to Canada through the products of new wealth from the farm, the forest, the mines and the great inland waters served by this railway system;

(5) That tremendous sums of money are yearly saved to this dominion by the comparatively low freight rates at which our freight is carried;

(6) That we are now surely at the bottom of this period of depression and that better times are ahead—bearing these considerations in mind, I venture to say that the outlook is not so dark as it appears at the present and that the Canadian National railway system will not only weather this storm but, with a return to prosperity, we shall yet have in this great publicly-owned enterprise a transportation system which will pay its way and also return a portion at least of the vast sums of money we have invested in it.

Mr. OSCAR BOULANGER (Bellechasse) (Translation): Mr. Speaker, I would not be taking part in this debate, had I not been invited to do so, a few days ago, by the hon. Postmaster General (Mr. Sauvé). I regret that he is not in his seat. He is probably busy dismissing the last Liberal postmaster left in this country. However, previous to commenting on his speech, I wish to congratulate my hon. friend and neighbour, the member for Dorchester (Mr. Gagnon), who also is not in his seat, on the splendid speech he delivered this afternoon. I should have liked to congratulate him on the progress he has made, for this last speech is quite an improvement over the one he delivered at the outset of the

session. I therefore extend to him my congratulations on his progress, and my best wishes that he may realize some day the goal of his ambitions. I would have been pleased to tell him that I entirely agree with the ideas he expressed a short while ago, as I also agree with those expressed in the house, a few days ago, by our friend the hon. member for Dufferin-Simcoe (Mr. Rowe). The time has come for rural members of eastern Canada, representing the farmers of Quebec and Ontario, to agree in setting forth their claims in order to improve the lot of the farmers whom they represent in this house.

I wonder, sir, whether the Quebec farmers of whom I am one of the humble representatives, may not be disappointed at the statement made in the house, the other day, by the hon. Postmaster General. During the 1930 election, our hon. friend posed as champion and guardian of his race and pledged himself, if elected, to be the mouthpiece of the farming class.

We therefore would have been pleased to hear him discuss the questions which interest specially the Canadian eastern farmers, and particularly those of the province of Quebec. We would have liked, for instance, to hear him speak on the policy the government intends to adopt with a view of opening up new markets to farm products; we would have been happy to hear him broach the subject of rural loans and state whether the government has the intention of lowering the rate of interest on these loans to farmers; and whether the government is to expedite and simplify the work of the commission on farm loans; we would have been delighted to listen to him discuss the subject of the tuberculine test and immunization of the dairy cattle; we would gladly have listened to him discourse on the return to the land movement and the policy which the government may have as regards giving a tillage and land clearing bonus; we would have been pleased to hear the Postmaster General discuss the agricultural policy and the measures which the government has the intention of bringing down to improve the lot of this very industrious and important class in the social life of our country.

Instead of discussing these questions, the hon. Postmaster General devoted the greater part of his speech to making excuses and apologizing for the government's fiasco.

The hon. Postmaster General had inured us to a more aggressive policy. During many years he was leader of the opposition in the Quebec legislature. I must admit that he performed this task in a creditable way. He was then somewhat looked upon as the representative and the mouthpiece of the Quebec farmers; at least he delighted to pass himself off as a country folk, as a farmer entirely devoted to the interest of the agricultural class. Judging by the speech he delivered the other night, and from which I shall quote a few extracts, I must say that he simply confined himself to offer excuses for the failure of the agricultural policy of the government. We would have been pleased to find out from the hon. Postmaster General whether the government has even an agricultural policy and whether it intends to really do something for the farmers. In reading over the hon. Postmaster General's speech, I discover, at page 2177 of Hansard, the following words:

> The government cannot be held responsible for the present world wide crises.

A little further, in the same column, the hon. Postmaster General adds:

> If prices of certain products are too low, the government cannot be blamed, but the fault is with the crisis prevailing all over Canada.

Mr. POULIOT (Translation): A guilty conscience needs no accuser.

Mr. BOULANGER (Translation): Further on, in the same column he states:

> Where is the country, which suffers less now from the crisis than we do?

On the following page we find:

> If the result is not as great as could be expected, it is, I repeat it, due to causes of which the government is not responsible.

Mr. POULIOT (Translation): We have no responsible government!

Mr. BOULANGER (Translation): At page 2179 of Hansard, the Postmaster General again apologizes for the government's inaction, in the following words:

> There are many things which could be done under ordinary conditions, but we are up against hard times.

I want, sir, to contrast these few quotations taken from the speech delivered in the house, the other day, by the Postmaster General, with certain more emphatic statements which he made during the election of 1930.

We find one of these statements in an excellent newspaper, La Patrie, of Montreal, which is very sympathetic to the Conservative government and to the party—

Mr. GOBEIL (Translation): Not at that time.

Mr. BOULANGER (Translation): —and which has the reputation of being a well informed newspaper. According to this newspaper of July 4, 1930, the following is what he states:

> Will war be declared because I am elected as your member?

May I here make a digression. The hon. Postmaster General and the hon. Minister of Marine (Mr. Duranleau)—neither of them is in his seat—charge us with having roused the passions and discussed conscription. If any one, during the 1930 election, discussed conscription and Canada's participation in the war, it is certainly these two hon. gentlemen.

In the same newspaper we find the following account of a meeting held at Laval des Rapides:

Mr. Sauvé discusses the attitude taken by Mr. Lacombe in the house—

—the latter was his opponent—

—on various questions interesting especially, the farmers of his county and contrasts the indifference of the one who had just held the mandate with his own solicitude for the Quebec farmers.

In "La Patrie" of July 9, 1930, I find the following under the heading:

Mr. A. Sauvé addresses a meeting at l'Abord à Plouffe.

Mr. Sauvé explains that he accepted the nomination at the request of a great number of electors, both Liberal and Conservative.

The following are the exact words used by the hon. Postmaster General—his favourite figure of speech is apostrophe—

Farmers of Laval-Two-Mountains, did the policy which my opponent advocated in parliament bring prosperity and happiness in your homes? And you workmen who suffer from unemployment and whose wages are not in keeping with the cost of living, are you satisfied?

May I invite, sir, the hon. Postmaster General to repeat now these criticisms before the farmers and workmen of the county of Laval-Two Mountains. I would advise him to ask these farmers who sell their butter at 16½ cents per pound delivered in Montreal, according to the market price ending April 16, 1932, whether they are satisfied. I would suggest to him to inquire from the civil servants whose salaries have just been cut, and especially those who have been dismissed, whether they are satisfied.

I always recall a large meeting at which the hon. Postmaster General stated:

I have not been always successful, however, I have always stood by my guns because I am much attached to the people of my province; when it was a matter of championing the interests of the farmer, I was always present in the house.

Further on the newspaper says:

Then the speaker criticizes Mr. Lacombe for his attitude on farm loan, the rate of interest of which is too high considering the returns of the land.

I should have liked, the other night, to have heard the hon. Postmaster General request a reduction in the rate of interest on farm loans.

Further on he states:

I shall go to Ottawa and I shall have sufficient courage to champion your cause under all circumstances. Are you, farmers, going to further submit to the competition of New Zealand butter, which is ruining you? And you, workmen are not your interests linked with those of farming, our main industry in Canada, because when agriculture suffers all are affected. After July 28, you will find in me both an energetic and fearless champion. . . . I do not intend at the age of 55 to play the part of valet. If to-morrow . . .

Note well, sir.

—If to-morrow Mr. Bennett introduces a measure contrary to the interests of my race and my country, I will vote against it.

Mr. GOBEIL (Translation): Did he introduce a single one?

Mr. BOULANGER (Translation): Mr. William Tremblay, former member for Maisonneuve in the Quebec Legislature, was present at that meeting and, amplifying the remarks made by the hon. Postmaster General, he expressed himself as follows, according to the same newspaper:

Speaking on the lack of markets for wheat Mr. Tremblay stated that the government had failed in its duty because it had not come to the rescue. He spoke of the distress which resulted from such inaction. The whole of our economic life has thus been paralyzed, unemployment has gained ground and our purchasing power decreased.

On July 10, 1930, under the heading "A meeting held by Mr. Arthur Sauvé at Oka" "La Patrie" reports the following words of Mr. Sauvé:

Do you want as your member a man capable of rendering justice to both parties, Liberals as well as Conservatives? Do you want a man who remains pinned to his seat or a fearless man, capable of respectfully expressing his opinion and make known the requirements of his country and province?

May I point out to you, sir, that if there is a silent member of the cabinet, in the house, a minister pinned, bolted and padlocked to his seat, it is certainly the Postmaster General. He is not lavish with his words, he does not spoil us, he is rather—stingy in this respect, for, if my memory serves me right, the Postmaster General delivers but one speech each session.

On July 11, 1930, under the heading "I shall be an independent member free to protest when necessary" I find the following words in "La Patrie":

Farmers who bewail your lot, you whose children are disheartened and filled with anxiety, if you are content with such conditions, vote for Mr. Lacombe. But if you want protection, if is your duty to vote for me. The

tariff policy of Mr. King is to blame for the conditions you complain of. The government pretended to change the tariff. But its policy is a deceitful one, to such an extent that the ministers avoid to discuss the results which the budget may have.

The last words could be applied to the hon. Postmaster General himself. When he spoke, the other evening, he was careful not to comment on the present budget he fought shy of the government's agriculture policy, which, in truth, does not exist. Continuing the Postmaster General stated:

If Mr. King is returned to power, I shall sit in the opposition free—as I claim in submitting my nomination—to support sound measures, regardless of party affiliation, such as duty will point out. I shall not be a member bolted to his seat. . . .

He insists on that expression.

. . . but I shall consider myself free to speak my mind when it pleases me and never seeking a reward. If I were aware that such a sacrifice would be expected from me, I would give up political life.

Mr. RHEAUME (Translation): A senatorship.

Mr. BOULANGER (Translation): I find in "La Patrie's" issue of July 14, 1930, under the heading "Mr. Sauvé answers Mr. Rinfret" at St. Placide, the following account of the hon. Postmaster General's speech:

Commenting on the crisis existing in this country, the speaker (Mr. Sauvé), stated that the government must bear the responsibility of its policy. Answering Mr. Pouliot, the member for Témiscouata, who stated, a few days ago, that the low prices prevailing on butter were due to speculation, Mr. Sauvé inquires why the government does not remedy such a situation and protect the farmers.

At St. Augustin, according to "La Patrie" in its issue of July 18, 1930, Mr. Sauvé refers to rural questions in the following terms:

Mr. Sauvé endorses the policy of a full indemnity for full bred or crossed cattle slaughtered by government officials pursuant to their tuberculine test policy. However, he prefers that, previous to having recourse to such means, immunization should be resorted to, in other words that cattle be treated instead of slaughtered immediately.

We should have been delighted to hear the hon. Postmaster General, who posed as the champion and guardian of the interests of farmers, in the 1930 election, discuss, in the house, the tuberculine test and immunization question of cattle, however he took great care not to do so. At the St. Eustache meeting, on July 20, 1930, our hon. friend broached the subject of Canada's participation in the Empire's wars, and pledged himself not to be the accomplice or the enemy of his race,

neither at Ottawa nor anywhere else. The report of this speech fills two or three columns; I shall not take up the time of the house to read it, but I shall add that after these pacifist statements of our hon. friend the platform collapsed. That topped the climax.

I closely followed, the other evening the speech of the hon. Postmaster General and I wondered what excuses the government could invoke for its negligence towards the Quebec farmers; I wondered what reasons they could give for the indifference they show towards the interests of the farming classes in Canada, had they not the Quebec government and Mr. Taschereau to fall back upon. Our hon. friend the Postmaster General, with his inoffensive and kind look is a cunning gentleman, he knows how to change the subject in order to avoid an embarrassing question or to turn a difficulty; he thus endeavours to change the discussion to the Prime Minister of Quebec and the latter's government.

I closely followed the excuses he made so as to avoid making a frank and clear statement with reference to a bonus on butter and farm products exports. To my mind, the excuse made by the hon. Postmaster General is quite a childish one. If it is a sound measure, it is so independently of the views of the Hon. Mr. Taschereau or his Minister of Agriculture. However, I listened to the hon. Postmaster General state, the other evening, with much candour: "If we do not grant an export bonus on butter and other farm products, it is because Quebec has not requested it, it is because the Quebec Prime Minister and his Minister of Agriculture opposed this measure."

First, this statement must be substantiated. However, were it true, since when does this government await, in order to act, that the Quebec government communicate its policy; since when does this government await, in order to introduce a measure, that the Quebec government requests it or any other provincial government? If this bonus is in the interest of farmers, not only of Quebec but of the whole of Canada, this government should itself take the lead in introducing such legislation without waiting for a request from outside. It is, moreover, the first time that I hear a member of the Dominion government state that their policy on a question which interests Canada depends upon the wishes or views of a provincial government.

The hon. member also referred to his statement during the 1931 provincial election with reference to the bonus on butter exports. He contends that he simply stated that the Dominion government would readily consider the question should the Quebec government

make such a request. Well, sir, let me inform the Postmaster General that what is needed at present, what the eastern farmers and those I represent request are not tedious speeches but action. Moreover, the minister was more emphatic in 1931, in the course of his campaign than he was, in the house, the other evening. As evidence, I shall quote a statement he made at a meeting held at St. Eustache, as reported by "La Patrie," in its issue of August 10, 1931, under the heading "Mr. Jean-Paul Sauvé promises an inquiry in connection with the Beauharnois Water Power Company."

Hon. Mr. Sauvé: When the famous butter question came up, the Bennett Government decided to put an end to this avalanche of New Zealand butter. If the low prices on butter still prevail to-day the Liberal government is to blame. The moment our government assumed power, it cancelled the New Zealand treaty. We promised a bonus on butter, we shall keep our word. The Liberals contend that this measure is absurd. If the Conservatives win the election in Quebec, you may rest assured that you will have it. I am aware that Mr. Bennett favours such a policy as does Mr. Camillien Houde.

I suppose that there were at the meeting sceptical people who, having heard, in 1930, the pledges of the Postmaster General, had their doubts about the new promises, which were now made in 1931 by the hon. Postmaster General, so turning towards these sceptics, he said:

Remember that it was a Conservative government which, the first, granted a bonus on all Canada's exports.

Mr. RHODES: Will the hon. gentleman be able to finish before six o'clock?

Mr. BOULANGER: I am afraid not. I have a few more observations to make.

Mr. RHODES: Then in view of the fact that we are not proceeding with the budget debate this evening, would the hon. gentleman move the adjournment of the debate?

Mr. BOULANGER: I shall be very glad to do so.

On motion of Mr. Boulanger the debate was adjourned.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

SUPPLY

DEPARTMENT OF SECRETARY OF STATE

The house in committee of supply, Mr. Hanson (York-Sunbury) in the chair.

41761—141½

Civil Service Commission—salaries, $204,930; contingencies, $67,000.

Hon. C. H. CAHAN (Secretary of State): For the purpose of securing this vote I represent the Civil Service Commission in this house. In view of the fact that the Civil Service Commission and the administration of the Civil Service Act are being investigated by a special committee, and as the house will have full opportunity when that report comes in to discuss civil service matters, I should like, if possible, to have this vote passed without very much discussion. While the matter is under consideration before a special committee I do not think it would be expedient for me, representing the Civil Service Commission, to enter into a discussion of its operations.

Mr. VENIOT: I do not wish to delay the estimate at all except to say that I think the minister should have deferred consideration of this item dealing with the Civil Service Commission; for it is not proper that we should discuss a matter that is now under investigation by a committee of this house.

Mr. RHODES: The hon. member would not deny them their salaries?

Mr. VENIOT: Would that be denying them their salaries?

Mr. RHODES: No, because one-sixth has already been voted.

Mr. VENIOT: If it would, I would not delay the passage of the item, but under the circumstances I think the item should stand.

Mr. CAHAN: If that is the view of the committee, I shall follow the suggestion of my hon. friend from Gloucester. But it is clear that on the report of that special committee there will be ample opportunity to discuss every phase of it. I should like to have the vote passed, but if objection is made—

Mr. VENIOT: I did not put it in the form of a serious objection. If the hon. Secretary of State will assure us that we shall have ample opportunity to discuss all phases of the question when the report is before us—

Mr. CAHAN: Quite so.

The CHAIRMAN (Mr. Hanson, York-Sunbury): Shall the item carry on that understanding?

Mr. COOTE: At this end of the chamber, Mr. Chairman, it was impossible to hear what the understanding was.

The CHAIRMAN (Mr. Hanson, York-Sunbury): The understanding was that if this item carries there will be full opportunity when the report of the special committee is before the house to discuss any matter that might properly be discussed under this item.

Mr. VENIOT: And all phases of the question.

The CHAIRMAN (Mr. Hanson, York-Sunbury): And all phases of the question.

Item agreed to.

Public Archives—salaries, $90,630; contingencies, $13,500.

Mr. STEWART (Edmonton): There is a very substantial reduction. Is the staff in the archives being cut?

Mr. CAHAN: The late Doctor Adam Shortt, who held an important position in the archives in a consulting capacity, and who received a very considerable salary, was removed by death during the year, and we have not as yet filled the position. In addition, Mr. Smith, who was the assistant deputy archivist, has also died, and we are not at present filling his position. There have been a number of minor changes. There are two clerks, grade 2, whose positions we are not filling for the present; also the position of secretary to the executive in the archives, and a departmental librarian. These have all been removed by death or by reaching the age for retirement. I thought in view of the existing conditions and the ability of the present staff to carry on, it was expedient not to fill these positions for the present, and that has led to a considerable reduction in the appropriation.

Mr. BROWN: I presume that the minister appreciates as we all do the importance of the work of the public archives. It would be very undesirable that it should be neglected in any way, as it is one of the most necessary works to be carried on under the government.

Mr. CAHAN: So far as the work of the Archives branch is concerned it will be carried on with full efficiency, but the publications which we have been putting out from time to time may be delayed for a year.

Mr. WOODSWORTH: May I ask if anyone is carrying out the special work upon which Doctor Shortt was supposed to be engaged for the last few years?

Mr. CAHAN: For the last few years Doctor Shortt was engaged in compiling an index to certain important documents which had been acquired in England for the archives. That work was pretty well completed. As a matter of fact, a year ago I would have retired Dr. Shortt except that for a considerable number of years he had been a very efficient employee of the government and had rendered great service to Canada, and I thought that under those circumstances I should keep him on until he asked to be retired. Less than a week before he died I had a conversation with him, and he told me that he would like to remain on for another year, although he had reached the age limit. I was very sympathetic to his request, and had an order in council passed extending his time for a year beyond the age limit; but he passed away very suddenly.

Mr. BROWN: What is the age limit?

Mr. CAHAN: Seventy.

Mr. BROWN: Would it not be desirable to pursue the same policy with regard to the other officials of the archives?—because there are very few men who have been trained to do that kind of work.

Mr. CAHAN: Those connected with the archives who have reached the age limit, so far as possible I have kept in their present positions. The Dominion Archivist, Doctor Doughty, has given long service, and since I have been administering this department I have secured two extensions of time for him because he is known to be very efficient indeed. The time will come, of course, when new appointments must be made. My own personal opinion is that we can eventually secure the services of some one, possibly not as efficient as Doctor Doughty, to deal with the matter of maintaining the archives. Really what the department will require is an efficient financial administrator, who should have about him men with technical and expert experience in the matter of archives.

Mr. WOODSWORTH: There are, I believe, a large number of university men doing research work in the archives. Will the cutting down of the library staff make it more difficult for them to carry on their work?

Mr. CAHAN: Not in the slightest degree. Each one who comes from a university to make investigation at the archives is given a separate desk, and there are all the clerical conveniences necessary for assistance in the work. That is not diminished in any way.

Item agreed to.

Secretary of State—salaries, $316,818; contingencies, $68,280.

Mr. MACKENZIE (Vancouver): Is there any particular item in the minister's depart-

ment on which we may discuss war reparation claims?

Mr. CAHAN: Yes. I am bringing down a supplementary estimate, as is customary each year, for payment of reparation claims, and that will afford full opportunity for discussion of the subject. It is on that item that discussion has taken place in previous years.

Mr. COOTE: Is any action contemplated by the minister's department to maintain better control over the issuing of charters to corporations to see that the capitalization of the companies bears some relation to the real assets behind them?

Mr. CAHAN: Since I have been administering the department, close supervision has been exercised over the granting of charters, and I have not received or heard any complaints since I undertook its administration. Every charter is carefully examined, and large powers which were previously given to companies are no longer granted.

Mr. MACKENZIE (Vancouver): Can the minister give any indication as to when the supplementary estimates will be down with regard to reparations?

Mr. CAHAN: I would suggest that the Minister of Finance answer that question. I have put in my estimates to him, and I think just as soon as we complete certain business now before the house they will be brought down.

Mr. GARLAND (Bow River): In his statement the minister led the committee to infer that the charters now issued were subject to some restrictions in comparison with the old charter forms. What is there in the new charter forms that was not in the old type granted by the department?

Mr. CAHAN: Perhaps the hon. gentleman is misconstruing my remarks. I said we have made strict personal supervision of all applications for charters, and have dealt with them on their merits. Our object has been to restrict the charters granted on these applications to those powers which are really essential for carrying on the business contemplated by the applicants.

Mr. GARLAND (Bow River): Mr. Chairman, the minister distinctly said in his first statement that the powers granted now were not as wide as those formerly granted. I am anxious to find out what powers have been withheld.

Mr. CAHAN: If the hon. gentleman would put his question in a different form I could answer it; I cannot answer that general question. All I say is that every application for a charter is examined and investigated very strictly, and if the applicants seek powers beyond what we deem necessary for the purpose of carrying on the business contemplated, we restrict the powers granted very much indeed as compared with the practice in former years. That is a matter of personal supervision and investigation dealing with each individual application as it comes in.

Mr. GARLAND (Bow River): I am anxious to find out what difference there is to-day in the granting of these charters. The minister distinctly said that the charters granted to-day do not have as wide powers as was the case formerly. What did he mean by the "large powers" formerly granted that are not granted to-day?

Mr. CAHAN: I thought I had explained it three times. If the hon. gentleman is accustomed to dealing with powers granted to companies I think he will easily perceive what is meant. In order to answer his question I would have to take each application that has been before me since August, 1930, deal with that application on its merits, and show what powers were applied for and what granted.

Mr. GARLAND (Bow River): Not at all; just give us one illustration.

Mr. CAYLEY: I see in some cases there has been an increase. How is the total decrease of $53,000 odd arrived at?

Mr. CAHAN: If the hon. gentleman will look at page 96 of the estimates giving the details, he will see that formerly we had one head clerk receiving a salary of $3,000 and one departmental librarian receiving a salary of $2,800; we have not filled those vacancies. Then at the foot of the page he will find the messenger service has been reduced, and that an allowance formerly given to the private secretary has been discontinued. The savings are represented by small amounts of that nature. We have refrained from filling vacancies which have occurred in order that we might keep down the gross amount of the appropriation. I have done what one would do in his own business.

Mr. WOODSWORTH: For years past there has been—shall I say?—a tendency to make it rather difficult for aliens to become naturalized. During the depression a great many newcomers to this country have found themselves discriminated against; they are often the first to be turned off work, and in some instances pressure has been put upon the immigration department by municipalities

to have them deported. I should like to have the Secretary of State make a statement with regard to the policy of his department in affording opportunities for these immigrants to obtain their naturalization papers.

Mr. CAHAN: In 1930, the first year I was in office, there were 10,906 certificates actually issued; in 1931 there were 14,790 certificates issued; so the statistics would indicate that we have not put the restrictions upon the number of certificates issued which many people in this country think we should place. As a matter of fact applications for naturalization are made to the county court of the district in which the applicant resides. If the court refuses to recommend the granting of the certificates, under the law there is no option allowed the Secretary of State to issue the certificates. In some cases, in which I have thought the full evidence was not heard or that due weight had not been given the evidence given before the county court judge, I have asked the under-secretary of state to refer the case back for rehearing in order that injustice might not be done. Apart from that, since I have been in office, after receiving the report of the county court judge we have made independent inquiry through officials, as far as we could, in order that we might test the character and standing of the applicant in his community. So many applications have been made that I have been told—though I have no accurate information—that in some instances the county court judge has heard forty or fifty applications in an hour, which would mean that it would be almost impossible in that time for him to make due inquiry. Where mistakes have arisen we have endeavoured to investigate very sympathetically, yet very carefully, in the hope of providing that injustice should not be done. I cannot say very much more in answer to the question of the hon. gentleman?

Mr. SPEAKMAN: I was just going to ask a question along the same line, though perhaps from a different angle. During last summer, and especially in the months of July, August and September, I noticed that the number of certificates issued ran from 2,000 to 4,000 per month. I was going to ask the minister if in his opinion these increased numbers were due in part to the hard times through which we were passing and to the possibility that in regard to employment or to the obtaining of relief those naturalized citizens had a preference, and that consequently there was a greater rush than usual on the part of people who desired to become naturalized. I wonder if the minister could say whether that was one of the reasons for the increase during those months.

[Mr. Woodsworth.]

Mr. CAHAN: It is quite possible that this may have been one of the reasons, but to us in the department it seemed that one of the chief reasons for the increase was the adoption of the old age pension act by so many of the provinces. In the west, from which my hon. friend comes, it appears from the applications that settlers who have been in that country for ten, fifteen or twenty years without applying for naturalization, have been told on application for a pension that a pension could not be granted except through the production of a naturalization certificate. I think that has been one great incentive, especially in the provinces of the middle west.

Mr. SPEAKMAN: There is one other question I should like to ask the minister, in connection with the explanation he gave with regard to the somewhat restricted powers granted companies applying for charters. I gathered the impression—and I wanted to make sure that my understanding was correct—that a company applying for a charter for the erection of a smelter, a saw mill, or something of the kind, would be held strictly to that undertaking. In the old days the powers granted were so wide in their terms that under such a charter the company might not only erect a saw mill or smelter but might build a railway, establish a line of steamships, obtain various concessions, in fact carry on almost any activity which might be desired. I understand that at present the minister is taking care that the powers granted are restricted to the one object in the mind of the company. Is that so?

Mr. CAHAN: As nearly as possible. In reply to the other question I would direct the attention of the hon. gentleman to the fact that during the last two years throughout Canada an effort has been made to induce aliens resident in this country to apply for certificates of naturalization. I have noticed newspaper reports to the effect that hundreds of sermons have been delivered by clergymen, especially those of the United Church of Canada, advising their parishioners, who are aliens, to apply for these certificates. In the east there are certain associations, such as the Kiwanis clubs and others, who have been carrying on a great deal of propaganda along that line from day to day, and I am sure those educational efforts have induced a great many to apply for naturalization who had been negligent in not doing so previously.

Mr. SPEAKMAN: I did not quite make myself clear. The second question I asked had no relation to naturalization certificates; I asked if my understanding of the minister's statement with regard to the narrowing down of the powers granted to companies was correct.

Mr. CAHAN: I thought I answered that. We try to keep them limited to the objects they really have in view.

Mr. COOTE: I should like to know whether any steps are taken to see that the capitalization allowed these companies will not permit them to issue a large amount of watered stock. I have in mind some very unfortunate cases in Canada, of companies incorporated under dominion charters which issued a great amount of watered stock that in some cases was held by our life insurance companies, and which proved to be almost worthless. I should like to know if the minister can assure the house that action is being taken by his department at this time to see that the capitalization of many of these companies applying for charters is not such as to permit them to issue watered stock.

Mr. CAHAN: I can only say that we do examine these applications strictly, and we endeavour to keep the capitalization within reasonable limits. But after many years of experience in the organization of companies, from the legal point of view I must tell the hon. gentleman that as yet I have never seen a restriction on stock issues that I could not find a very effective and legal way through or around. Mere statutory enactments are very inefficient in that respect.

Mr. GARDINER: The minister, speaking from his experience, said that it was impossible to restrain companies from issuing watered stock. Does he mean that the department of the Secretary of State is impotent to control such matters?

Mr. CAHAN: The Department of State carries out the law by careful investigation and supervision. Outside of that the department has really no authority; it does not make the law. My suggestion to the hon. gentleman was that what is necessary is to see that no large powers are given in that respect under the law. Nevertheless, those who are astute in such matters can circumvent the law very readily.

Mr. GARDINER: In view of the further answer the minister has given, to the effect that so far as the present law is concerned it does not give his department power to control the capitalization of these companies, has the minister given any consideration to the possibility of amending the Companies Act so that that power shall be in the hands of the Secretary of State, to see to it that no watered stock shall be issued as has been done in the past? Is that contemplated?

Mr. CAHAN: If you will allow me to make an egotistical answer, were I to continue for the next half century as Secretary of State, I might do that while I could administer the act; but I do not think I could frame an act which would govern the conduct of my successor.

Some hon. MEMBERS: Carried.

Mr. GARDINER: I hope hon. gentlemen will not try to rush this matter without giving it proper consideration. If that is what they intend to do, we can retaliate, although we do not wish to do that. Would it be possible for the minister to devise ways and means at least to curb the situation to some extent? The minister must be aware of what has happened in the last few years, and more particularly during the prosperous period. Many companies split their stock, no new capital being put in, and the people have to pay such commodity prices as will return dividends on that watered stock. Surely the minister is not so impotent in this respect that he cannot propose ways and means of curbing the situation.

Mr. CAHAN: I know of no way of curbing the gullibility of the small Canadian investor. If he will carefully examine the stock offerings made to him, I am sure he can put an end to that riotous dealing in stocks to which the hon. gentleman has referred.

Mr. STEWART (Edmonton): But surely the minister does not intend to say that it cannot be stopped. Reputable firms in the past have gone out and sold watered stocks and ruined the purchasers of such stocks, and are we to sit by and say that we are utterly impotent to put an end to that sort of thing?

Mr. CAHAN: The very fact that so many are sent to gaol and to penitentiary for long terms shows that the law is being enforced at the present time. The enforcement of the law with respect to civil obligations is not, however, a matter for my department or for the government of Canada; it is a matter which is imposed by provincial law and within provincial jurisdiction. All I can do is to supervise carefully each charter granted in order to see that, so far as human foresight can foresee, these powers are limited so that

they cannot be used for fraudulent or illegal purposes.

Mr. STEWART (Edmonton): Yes. But my hon. friend will readily understand that notwithstanding anything the provinces may do by setting up boards or commissions to investigate companies and to investigate the issuing of stock and its sale in the provinces, along comes a dominion charter covering all the provinces and providing no control at all. And these are the charters that are exploited all over Canada.

Mr. CAHAN: My hon. friend's opinion is not in accordance with the view of the privy council, which says that dominion companies in the respect he mentions are controlled by the provincial authority and are under provincial jurisdiction. My hon. friend should carefully consider it. If he does, I think he will find that the charters which are now being granted are granted under, I do not like to say more careful supervision—I am not making any reflection on my predecessor—but under the supervision of one who has had, as I have had, an experience of thirty or forty years with company law. That experience enables me to assist the officials of the department in imposing restrictions which are beneficial and advantageous to the public. For instance, we found that dominion companies which had acquired surpluses were selling out and then organizing again under practically the same names to carry on the same business, after having denuded the treasuries of such companies of a large part of their liquid assets. That sort of thing is not carried on now because that sort of company cannot secure a charter from the department under present conditions. I have no control over provincial jurisdictions. Not long ago a member of this house brought to my attention a certain company which had reorganized, and said that they had issued a lot of stock, watered and all that sort of thing, and blamed me for not exercising proper supervision. What I found was that the applicants for that charter had come to our department and, having failed to secure the wide powers which they had applied for, they simply went to a provincial secretary and secured from that provincial secretary's office all the wide powers which we had refused.

Some hon. MEMBERS: Carried.

Mr. WOODSWORTH: I do not know why these gentlemen to the right are so anxious to rush this thing through. In the meantime some of us want to learn more about it. First of all, I should like to know this. After a charter is granted, what reports are made by the company to the department? Secondly, what supervision has the department over such companies?

Mr. CAHAN: Every company makes an annual return of its affairs to the department, and that is examined in the department and kept on file for inspection by the public. Outside of that, with regard to their operations, we have no supervision and control beyond seeing that the law is complied with in the respects I have mentioned.

Mr. WOODSWORTH: I want to say a word in support of the position taken by the hon. member for Acadia. Everyone, I think, must realize that there has been a great deal of fleecing of the public not merely by speculation in stocks, about which we have heard, but by the process known as the watering of stock, and I do not think things should be left in the hands of the minister in this regard. It seems to me there ought to be legislation. We may have competent ministers and less competent ministers, conscientious ministers and less conscientious ministers; but we ought not to depend upon the individual. Surely there should be some sort of legislation which would protect the public. The minister has said that you cannot protect people who are gullible. That is not quite fair to the public. The fact is that company operations and manipulations have become so complicated to-day that the ordinary man cannot begin to follow them. And there are a great many legal gentlemen in this chamber who perhaps do not follow them very closely, because when a particular matter comes under scrutiny—as for example, Beauharnois—we have endless controversy as to just where each party stands and what is the real situation. Under these circumstances it seems to me that there should be some sort of law which would protect the public.

May I give a simple illustration? If a milkman coming into town stops at a pump and fills his cans half full with water, he is liable to prosecution. We say he is selling watered milk, an inferior article. I suppose it is something like that we have in mind when we say that a stock is watered; yet the minister seems to be taking the ground that while the public can be protected from unscrupulous milkmen, it is impossible to give protection against unscrupulous promoters or manipulators of company stocks. I do not think we can properly take that position. Incorporation is a great privilege; it affords protection to a company, gives it a standing in the community and enables it to enjoy a certain confidence which otherwise would

not be reposed in it. Incorporation gives a company the right to transact business under certain conditions, and it seems to me that having those special rights and privileges conferred upon it, it should be under some sort of state supervision. I know the character of the reports which come in; I remember once or twice having to look up some of them, and I found they were of a perfunctory character; they did not go sufficiently into the business of the company to enable the minister and his officials to know just what the company had been doing and what its standing was at the moment. It may be that this would require much supervision, as in the case of insurance and loan companies; it might involve considerable expense, but if the companies receive incorporation they might be charged such fees as would ensure their being properly supervised.

I ask, as the hon. member for Acadia has asked: Is it not possible to bring before this house legislation which would do more than is being done to-day in the way of safeguarding the public interest? I do not think I need say to the Secretary of State that the public feels very keenly with regard to this matter. An effort has been made in at least some provinces to control companies in the interests of the public, and something of that kind should be done here.

Mr. CAHAN: There are laws which visit heavy penalties upon those who water or otherwise deal fraudulently with stocks. The same process of law which indicts and commits to gaol or punishes by both fine and imprisonment those who water milk, brings to the bar and possibly to the penitentiary those who illegally or fraudulently deal with stocks. Under section 120 of the Companies Act wide powers are vested in the Secretary of State, but they can be exercised only on complaint. For the first time in the history of this country I have brought this section into effective operation. No application has been made under that section without a complete and thorough investigation being made, and at times there have been exposures of dominion companies who were dealing fraudulently with their stock, their shareholders, or the general public.

Mr. WOODSWORTH: I am not reflecting in any way upon the Secretary of State, but I would point out to him that while it is comparatively easy to secure a conviction against a milkman, it is very difficult for a man who has a few shares in a great corporation to set in motion the wheels which will bring the big culprit to justice.

Mr. CAHAN: In that I differ entirely from the hon. gentleman. His statement simply shows the great abyss which exists between his attitude towards the administration of the law and my own.

Mr. GARDINER: In replying to my previous question, the minister evidently did not get my point. He made the statement that his department was doing everything in its power to see to it that the small investor was protected and that any company violating the law was brought to justice. I have before me a publication which shows the investments of the Sun Life Assurance Company—

Mr. CAHAN: The Sun Life Assurance Company does not come under the jurisdiction of the Secretary of State.

Mr. GARDINER: I find that that company has invested in Imperial Oil Company Limited, stock to the exent of 655,500 shares, at a purchase valuation of $7,672,276.78. The present valuation of these shares is given at $5,244,000, showing a net loss to the Sun Life company of $2,428,276.78. The Secretary of State must know that a few years ago the Imperial Oil company split its shares four to one. What has the minister done with that company in regard to that question? Did he take any action? Would he take any action with respect to any company which followed that same course to-day?

Mr. CAHAN: The matter of the Imperial Oil Company has not been brought to my notice.

Mr. GARDINER: I bring it to the minister's notice now.

Mr. CAHAN: I see no reason in the world, morally, legally or otherwise, why a company with shares valued at $100 should not split them into four shares valued at $25.

Mr. GARDINER: The minister is begging the question.

Mr. CAHAN: I am not begging the question, I am looking it straight in the face. Furthermore, I say to the hon. gentleman that if he will take the stocks and bonds outstanding in this country, dominion, provincial, municipal, town and county debentures and the stocks of the various companies as they were valued in 1929, he will find that to-day the average value of these bonds and stocks is as 35 is to 100. There has been a tremendous loss, amounting to millions and tens of millions of dollars, in the value of the stocks of companies which have been honestly

and efficiently administered. That depreciation in the value of these securities is not due to the splitting of shares nor is it solely due to the manipulations which have occurred in the stock market.

Mr. GARDINER: The reply of the Secretary of State is simply begging the question. The minister has made the statement that because of the decrease in the value of stocks, the weighted value to-day is only 35 as compared with 100 previously. I ask the minister this question: Suppose the Imperial Oil Company had split its stock four to one and had not put in any new capital; suppose the International Nickel company had split its stock without putting in any new capital, had those stocks not been watered would they not have been worth more on the market to-day than they were worth before that action was taken?

Mr. CAHAN: The hon. gentleman is under an entire misapprehension with regard to watering. Take the Canadian Pacific Railway Company—

Mr. GARDINER: That is a different thing.

Mr. CAHAN: In that instance one hundred dollars of stock represented over $100 of cash invested; the shares were split four to one and the par value of the present share is $25. Unfortunately it is selling on the market for less than that, but there is no watering in that transaction.

Mr. GARDINER: The minister has put up a big straw man and has knocked him down; that is all he has done. We know quite well what the Canadian Pacific did; they did exactly what the minister stated they did; that is to say, they took a $100 share and split it into four $25 shares. That is the face value of Canadian Pacific stock to-day. Their excuse, when their bill was before the railway committee for its endorsation, was that they wanted small investors in Canada to participate in buying Canadian Pacific stock in order that more would be held in this country rather than outside it. But to how many companies does that apply? The minister has mentioned the one company we know of, but what about the other companies: what about International Nickel, the Massey-Harris and all those other companies that have split their stocks without putting any more capital into them and have not split their stocks in the way the minister has cited the Canadian Pacific as having done? The minister is sidestepping the issue, and so far as I can see he is not willing to tackle the problem as the people expect him to tackle it.

[Mr. Cahan.]

Mr. GARLAND (Bow River): I wish simply most respectfully to suggest to the minister that this matter is really worthy of his serious consideration. Only the other day, in the special committee on radio broadcasting, Mr. Beatty, president of the company to which the minister has referred, proposed the creation of a great private broadcasting corporation for Canada and suggested that the stock of that company might be held by various individuals and interests within the country, subject to certain restrictions. One condition he mentioned was that the stock should always be held by and be transferable only to Canadians, this obviously being in order to maintain Canadian ownership. So Mr. Beatty was asked whether he would take any exception to the inclusion in the charter of a clause that would prohibit at any time in the future the watering of the stock, and he said no, he had no objection whatever. I should like to ask the minister two questions: Is there in existence to-day in Canada any law against stock watering? When we say "stock watering," we mean that a company capitalized in the charter, say, at $2,000,000, issues and secures the subscription of just $1,000,000 in cash. That $1,000,000 is all it has and for many years it operates on that. It happens to strike successful days and the value of the stock on the gambling market advances. The proprietors of the concern then see an opportunity of skinning the public; so without adding another dollar of actual capital, they issue to themselves the balance of the authorized stock and in effect they create an artificial capital of $1,000,000 in addition to the actual capital of $1,000,000. Is there any law to prevent that, and if not, does the minister not think it is high time he provided such a law?

Mr. CAHAN: All I can say is that if that sort of transaction is carried out in any particular case and my hon. friend will bring the facts to the notice of the law officers of the crown, he will soon ascertain that there are such laws in this country; that that is fraud; that stock cannot be issued for nothing, and that those who do so are liable to be sent to the penitentiary. But I am not enforcing the criminal law of Canada. I am merely a humble secretary of state, the humble bobtail of the administration, attending as patiently as I can to the duties assigned to my department.

Mr. GARLAND (Bow River): Owing to the applause I did not quite catch the minister's reply. May I ask him to repeat his

answer to my question: Is there a law that will prevent the actual transaction that I have described?

Mr. CAHAN: I do not think there is any doubt of that.

Mr. GARLAND (Bow River): Will the minister tell us where it is?

Mr. CAHAN: My hon. friend should not ask me to name a particular section. Of course there is a law; the criminal law of this country applies. It is fraud to do that sort of thing and those who are indicted and found guilty of such fraud are sent to the penitentiary by the courts. I should like to refer hon. members to a recent case in England where, under a law similar to ours, Lord Kylsant, a prominent business man there, was sent to the penitentiary for improperly administering the affairs of his company.

Mr. GARLAND (Bow River): It is amazing that we cannot bring about a similar situation in Canada; the minister seems unable to do so, so closely do we copy conditions in the United States, with all the evils that follow such exploitation there. May I suggest to him that if such a law exists, it is high time that he enforce it. I remember only a few years ago in this very house a lengthy debate on the British Empire Steel Corporation, when members of both political parties agreed, and so stated, that the British Empire Steel Corporation, at that time and previously, had been watered to the extent of $50,000,000, if my memory serves me correctly. It happened that it was the Minister of Labour in the Liberal government of the day who made this statement in the house. Surely some action could have been taken at that time, and hon. members ought not to be asked or expected by the minister to produce before him isolated cases. They are all around him; it is public knowledge that this sort of thing is being done. Debate after debate has taken place in the house on it. Hardly a year has passed without illustrations being given from this corner and supported by members in other parts of the house. I think the minister is hardly seized of the importance of doing away with this evil.

Mr. COOTE: One of the greatest evils in commercial life in this country is the watering of stocks and their sale to the public by financial pirates. I should like to bring to the attention of the minister the case of the Canada Power and Paper Company. Has the Secretary of State power to investigate the operations of the men who formed that company and to inform the committee just what was done, how it was done and who got away with all the profits that should have gone to those who bought the bonds, and who, as the saying goes, were left holding the bag? Last year I put on the order paper a question asking for the amount of securities of the Canada Power and Paper Company and its subsidiaries held by life insurance companies. It was found that $10,000,000 of premiums paid by the people of Canada were invested in securities of this company and its subsidiaries. I believe a number of good paper companies in this country were ruined by the men who formed that organization. I do not know whether it had a dominion charter or not. Would the Secretary of State inform us whether it had, whether anything was done in regard to the matter, and if not, whether anything can be done in the future? That is the important question.

Mr. CAHAN: I do not know of any way by which you can prevent dishonest men from committing fraud so long as they may do it and still keep out of the penitentiary. It is not my duty to administer the criminal law. I told hon. gentlemen earlier in the debate that if a proper representation is made to me with respect to frauds committed by any company which has obtained a charter under the Companies Act of Canada, provision is made there for investigation, and since I have been in this office, for the first time in the history of Canada, such investigations have been carried out. They have cost large amounts of money, but they have shown that very grave frauds have been perpetrated, and now in the courts those who perpetrated or are alleged to have perpetrated those frauds are being brought to justice. If the hon. member has any case in mind and will bring it to the attention of the Secretary of State, I shall look into the matter carefully and advise him as best I can as to how those guilty of frauds may be brought to justice. But, as I say, I am not administering the criminal law of the country. I have no supervision over the people's morals, nor does it fall to my department to deal with such crimes as are committed. My time is occupied nearly sixteen hours out of every twenty-four in the performance of such duties as are committed to my care.

Mr. COOTE: What we want in this country is a law to prevent these men watering these stocks. It has been done openly by, I think, hundreds of companies in Canada in the past.

Mr. CAHAN: I do not wish to be discourteous to my hon. friend, but when he

talks as he is now doing about watering stocks I begin to wonder as to his knowledge of the matter. It is not the watering of stock that is the chief evil in this country. That is a minor evil, and sometimes when people complain about it without any knowledge of the facts I think they ought to be investigated to find out if they are afflicted with water on the brain.

Mr. COOTE: I would ask the hon. gentleman to withdraw that statement.

Mr. WOODSWORTH: I do not know whether I am one of those whose brains ought to be investigated; it is quite possible a good many of us may be in that position, but we happen to represent here a considerable number whose brains are of pretty much the same calibre as ours, and we confess quite frankly that we are at an utter loss to know just what to do when we come to a matter of this kind. The Secretary of State rather suggests to us that this whole matter should be left to the courts to decide, but the point we are trying to make is that there is no legislation at the present time adequate to deal with a situation that actually exists. Everyone in this house knows perfectly well that it is next to impossible for a private member to introduce legislation on a matter of this importance with any hope that it will be passed. We cannot even be sure that it will get to a committee; some of us indeed are doubtful whether a bill we sponsor will even get a chance for first reading. Under these circumstances it seems as if we must lay upon the government the responsibility of introducing legislation along this line, and I feel that the Secretary of State, who has to deal with companies, is the one to whom we ought to look for action. Further than that, it is all very well for the Secretary of State to imply that the same kind of action is possible in the big cases as in the small cases, but I respectfully submit that in practice that is not so. It is not possible for a small shareholder to engage a lawyer who will stand any chance whatever against the legal talent that may be engaged by a great corporation. The poor man who has only a few dollars behind him cannot possibly go into a fight against a great corporation, and I do not think it is clarifying the situation for the Secretary of States to suggest that his idea and mine of law are abysmally apart. I do not think that that helps us very much. I want to bring a matter to his attention for the sake of illustration. I happened to find among my papers an editorial from the Manitoba Free Press referring to a particular matter which illustrates the fog in which the public now finds itself; and if some of us here need our brains examined, I presume the editor of the Free Press also needs his investigated. This editorial—I have not the date—says:

> When the searchlight is finally turned upon the many deals and transactions that lie in the wake of the moribund Canada Power and Paper corporation, it must be hoped that special attention will be given to the details of the spectacular Anticosti purchase which created a flurry of public attention in the summer of 1926. Nine millions of dollars of the public's money were paid for the securities of the Anticosti corporation which appeared to be backed by the strongest kind of pledges of three important paper companies. That money has in part disappeared, and the Securities Protective Committee contents itself in its circular letter by saying: "As a result of this acquisition by the new company of the undertakings and assets of all companies concerned . . . the Anticosti stumpage agreement will be automatically extinguished."
>
> This is not good enough. Holders of the old 6½ per cent Anticosti bonds are to be given new 5½ per cent bonds. They therefore, lose substantial amounts of their capital. Holders of the 7 per cent Anticosti preference shares are to get one and a half shares of new common stock for each share previously held. They lose much of their capital, and must accept also junior securities. They are entitled now to the full truth of the Anticosti deal. They must be at least permitted to learn why they have lost their money. Surely this is not asking too much.

The editorial then goes in some detail into the history of the company and its operations, and concludes:

> It is now time to throw light upon it. The public is entitled to know, for instance, how much was actually paid for Senator Menier's game preserve. It is entitled to know how much water was poured into the securities issued with the island as security. It is entitled to know the costs of cutting pulpwood there. It is entitled to learn whether or not the men who swung the deal exercised sound business judgment. It must know if they are safe persons with whom to invest money in the future.
>
> The time has come for a thorough house-cleaning in our financial methods, and the Canada Power and Paper collapse is an excellent reason for beginning it.

That is just one illustration of what is taking place right along. What the public wants to know is what is to be done about it, and we ask the Secretary of State, who grants the charters, whether there is any way by which the public may have some idea whether or not the stock of a company so chartered offers a safe investment. I do not think that we are unreasonable in urging him to consider bringing down legislation that will do something in this regard.

Mr. CAHAN: I do not wish to prolong the discussion, but there is legislation at the

present time which provides a certain procedure for investigation. For instance, during the past year I instituted an investigation which was very extensive indeed with respect to one of the largest operating corporations in Canada, the Yukon Consolidated Gold Corporation, with a paid-up capital of $6,000,000. I would make exactly the same kind of examination if it were a capital of $6,000 if application were made to me. The public know very well where the facts can be ascertained. If the Canada Power and Paper Company has been incorporated under the Companies Act, then the documents will be on file with reference to the acquisition of the properties for which stock was issued. The facts can be easily ascertained. The later events are found in the court, because if my memory is correct the court approved of the compromise arrangement to which the editor of the Free Press objected in the editorial which my hon. friend has just read. The whole matter was before the court and is a matter of court record; there the real facts can be obtained. But I know of no way in which the Secretary of State can supervise the purchase of, say, Anticosti island, or can properly appreciate the price which should be paid for it. I have no interest in the matter, but men who are competent to judge at the time the land was purchased told me that it had been purchased much below its value, that it was a most valuable acquisition, and that the revenue from its timber and other resources would bring in ample revenue. They told me that they had had its timber resources inspected by very competent experts and that they had the utmost confidence in the undertaking. I know friends of mine invested many thousands of dollars, believing that the reports of those experts would ultimately be realized. Apart from fraud, I know of no way of protecting men against making purchases of timber or mining or other natural resources which in the future may not realize the exaggerated hopes entertained at the time of the purchase. But if any person will allege fraud in regard to the Canada Power and Paper Company, and apply to the Secretary of State in the formal manner provided, I can, if it is incorporated under the Companies Act and unless the company is now out of existence, order a most complete inquiry and investigation with respect to every fact. Time and time again I have so advised men who have made complaints to me. I cannot investigate and imperil the financial stability and credit of companies which are being honestly administered, simply because some newspaper makes reflections upon them; but if fraud is alleged, then there is a way under the procedure laid down in the Companies Act to conduct such investigation. In every case where applications have been made to me an investigation has been conducted.

Mr. SPENCER: A few years ago several of the provinces sought federal legislation with the aim of meeting this difficulty of watered stock—otherwise called "blue sky" legislation. Their position was that without concurrent legislation by the parliament of Canada they had no control over companies operating under federal charters. What help or encouragement did the provinces get from the Secretary of State in regard to the legislation they proposed?

Mr. CAHAN: They got just as little encouragement for the proposition they made to me as they obtained from my predecessor. They asked me to introduce a bill which would transfer certain matters out of the federal jurisdiction into the jurisdiction of the provinces. I told them the proposal was ridiculous, and that no bill that I might introduce could transfer legislative jurisdiction from this parliament to the provincial legislatures. But I also told them that, as soon as they might reasonably desire, the Dominion government, through the Prime Minister, was prepared to call a conference of the representatives of the provincial governments in order to discuss constitutional amendments by which the jurisdiction might be vested in the parliament of Canada in respect to certain matters and in the provincial legislatures in respect to other matters. That was the only answer I could possibly give them.

Mr. SPENCER: I am glad the Secretary of State has told the committee that the Prime Minister intends to take this matter up with the provinces at some future date. Has the minister had many complaints during the last two years with regard to watered stock?

Mr. CAHAN: We made the most complete investigation, covering fifteen months, in the case of one company, in the course of which we brought witnesses from England and from the ends of Canada to give evidence before a commissioner appointed for the purpose. We are carrying on these investigations from time to time in the department. We do not publish the results in the newspapers, although they are given to the newspapers, and sometimes short memoranda appear with respect to them.

Mr. BEAUBIEN: Has the minister investigated the collapse of the Swedish match

trust and its relation to any stock transactions affecting any Canadian company? If not, is it the intention of his department to do so?

Mr. CAHAN: The hon. gentleman should advertise his question in the amusement columns of the newspapers.

Some hon. MEMBERS: Oh, oh.

Mr. CAHAN: I have no knowledge of any Swedish match trust being incorporated under the Companies Act of Canada.

Mr. BEAUBIEN: I think my question is perfectly proper. I have read in the newspapers that investigations of the Swedish match trust are being conducted all over the world, and I am sure there must be some Canadian transactions connected with that trust. I am putting my question in all seriousness. I think when a fair question is asked the minister should give a decent answer, even though he is getting like the Prime Minister—vexed at everything.

Mr. CAHAN: I am never vexed.

Mr. BEAUBIEN: When I ask a question I do not want to be insulted by the Secretary of State.

Mr. CAHAN: If the hon. member thinks I insulted him I most humbly apologize. I was not vexed when I made the remark to which my hon. friend takes objection, for I am never angry; but I am not aware that the Swedish match trust is organized under any Canadian charter.

Mr. BEAUBIEN: I accept the Secretary of State's apology, Mr. Chairman.

Mr. POULIOT: It is gratifying, Mr. Chairman, to know that this session private legislation with regard to companies is very limited. When some companies come to parliament with a private bill there is often a nigger in the woodpile, and that is why private bills must always be very thoroughly scrutinized. This applies not only to private bills presented to this parliament, but also to similar bills presented to the provincial legislatures. As I say, it is a good thing this session that we have very little private legislation on the order paper. As federal and provincial company law differs in many respects, it is a great mistake to have companies chartered both provincially and federally. The promoters of such companies should make their choice at the time they organize, in order that the public may know whether the companies are provincial or federal in character. This is of the utmost importance, and I cannot understand why a company should be acting under the provisions of both federal and provincial statutes. I do not say this with regard to the present minister; I say it objectively and not subjectively, but when there is some trouble in cases where companies have obtained powers both federal and provincial, at times we are told by the officials of the company that it is a provincial concern, but when we communicate with the provincial secretary we are told that it is a federal concern. No one knows where he is with such hybrid organizations. This is why I respectfully suggest that the Secretary of State be very careful about granting charters to companies which already have been organized under provincial laws. In some cases there are regulations with regard to reports and other matters, such as the number of directors, the capital subscribed and so on, which it is impossible to get but which are essential when we have to deal with these companies.

Mr. COOTE: I feel that some of the suggestions which have been made to-night have gone over the minister's head. Possibly they have entered his mind, but I do not think so. I believe the minister as a rule, when he understands a question, is very gentlemanly and courteous and ready to answer, so I think he must have misunderstood some of the matters which have been brought up. I just want to direct his attention to the fact that, in connection with the Canada Power and Paper Company the Financial Post of September 26 last stated that the security holders' protective committee had a plan for the reorganization of the corporation which would cut its capitalization from $103,000,000 to $52,000,000. The article concluded by saying that with the final winding up of the company there would pass out of existence an enterprise which was not a credit to the Canadian corporation field.

The suggestion which I was trying to make to the minister was that if proper supervision was exercised over the capitalization of these companies before they started operations it would save a lot of grief to the investing public in Canada, and would help maintain the confidence of Canadian investors in Canadian corporations. It is very unfortunate that investors in Canada should be compelled to run the risks they do run at present because of what seems to be a very decided difference of opinion between the federal Secretary of State and the different provincial governments, each wanting to have control of the issuing of charters. I would simply say to the minister that the dominion should refuse incorporation to companies who ask for too large a capitalization for the assets which they possess.

If provincial governments want to give charters to companies which are improperly financed and capitalized, let the provincial governments take the responsibility for so doing. As far as the dominion is concerned, it is time we exercised some supervision, and if necessary introduced legislation which would give the Secretary of State power to supervise the issuing of capital or even debenture stock or bonds by these corporations. I do not think the legislation on the statute books to-day gives the minister the right to exercise that supervision which I think should be exercised, and I suggest that if he has not that authority under the present law he might very well introduce such legislation in this house. It is not open to any private member to do so, since it would involve the expenditure of money, so we can only urge this suggestion upon the minister.

Mr. GARLAND (Bow River): There is one other aspect of the matter which I think should be discussed, out of which possibly a suggestion of value to the minister might arise—although sometimes I doubt if he would regard any suggestion coming from this corner as having any value. His profound erudition apparently puts him on a plane high above the reach of any suggestion that may be offered by private members.

The matter I wish him to take under consideration is the growing practice on the part of companies of issuing bonds with a tempting bribe attached to them in the form of bonus stock. I regard that as an utterly unsatisfactory proceeding which should be restricted, if not absolutely prevented. There is a classic illustration of that in connection with the Beauharnois company. The minister will recall that each $1,000 bond carried with it, as a sort of bribe or bait, five class A voting shares. They were so described in the prospectus, which was utterly misleading and almost fraudulent in character, because while this stock might ultimately become voting stock, those who really had time to study it or who had the necessary information realized that it would not be voting stock for some ten years, since the entire control of the company was held by those in possession of the management shares. There was another slightly less tempting piece of bait in the right to purchase twenty-five shares of class B stock at a fixed price of $35, at a time later to be determined by the company. I object most strenuously to the disposal of bonds to the public in that fashion. In my opinion any company seeking a charter should have a sufficiently sound basis for its bond issue to be able to issue bonds on their merits without being under the necessity of attempting to put over the issue by gold bricking the public, so to speak, with these specious and utterly misleading forms of getting something for nothing.

I ask the minister to take this suggestion under advisement, in the hope that if he has the power he will see to it that in any charters he sanctions from now on the granting of bonus stock with bond issues shall not be permitted. If he has not that power, I ask him to consider introducing the necessary amendment to the existing legislation which would bring about that result.

Mr. CAHAN: I can only tell my hon. friend—

The CHAIRMAN (Mr. Geary): Shall the item carry?

Some hon. MEMBERS: Carried.

Mr. SPENCER: A few moments ago the Secretary of State told the committee that one investigation with regard to watered stock was being made. He also said that if complaint was made by anyone with regard to watered stock, an investigation would be made. I did not want the names of the companies, but I wanted to know if a dozen or a score or more complaints had been made, because from the way the public have been dealt with in the last two or three years it seems to me they do not know they have the right and privilege to have inquiry made by the Secretary of State. I should be glad if the minister would tell the committee whether he has had any considerable number of complaints which would show that the public know of the privileges and rights which are theirs.

Mr. CAHAN: I can simply repeat what I said before, that since I came into office in August, 1930, we have made a very careful supervision of the terms of the charters issued. During that time only two complaints have been made to my office of the nature suggested by the hon. gentleman.

Mr. SPENCER: I hope that after to-night the Secretary of State will be pestered by complaints of those who have suffered from the effect of watered stock in investments.

Item agreed to.

Patent record, $25,000.

Mr. SPENCER: Do the fees received from those who apply for patents meet the expenses of running the office?

Mr. CAHAN: I cannot at the moment distinguish between patents and copyrights, but the revenue is half a million a year and it goes into the consolidated revenue account. Therefore we have to ask for an appropriation from parliament for the expenses.

Mr. CASGRAIN: Who is in charge of the patent office?

Mr. CAHAN: Mr. Richard, he has been there many years.

Item agreed to.

International office for the protection of industrial property, international copyright union office and union for the protection of literary and artistic works, $2,000.

Mr. CASGRAIN: How is that money distributed? Is it paid in a lump sum or is it distributed to various institutions?

Mr. CAHAN: It is a contribution made by this country under the Berne convention. It has been outstanding for many years.

Item agreed to.

Expenses under the Canada Temperance Act, $1,000.

Mr. VENIOT: Explain.

Mr. CAHAN: There are only three constituencies in Canada in which the Canada Temperance Act applies, but in case application is made for a repeal in any of these constituencies there has to be an election. Every year it is customary to put in the estimates an amount to pay the expenses of such an election, although one is very seldom held.

Mr. SPENCER: Can the minister name the constituencies?

Mr. CAHAN: I know there is one in Quebec, Thetford Mines, and there are two others. I shall have to ask the hon. gentleman to wait until to-morrow for the answer.

Mr. SPEAKMAN: I must confess to ignorance of the application of the Canada Temperance Act. In what way does it apply in certain isolated instances? Do those particular constituencies come under a federal act instead of under provincial legislation?

Mr. CAHAN: There was passed at one time an act known as the Canada Temperance Act, by which counties or constituencies, were authorized to adopt that act. It was adopted by many constituencies throughout Canada. Under the same act they could vote themselves out of its jurisdiction, and as the years went by the constituencies voted themselves out except in three specific instances. These are still under the act.

[Mr. Spencer.]

Mr. SPEAKMAN: I assume that this is what they used to call the old Scott Act. Are these particular constituencies, which must be within some province or other, exempt from the operation of the ordinary provincial legislation?

Mr. CAHAN: I shall have to refer that question to the Minister of Justice.

Item agreed to.

IMMIGRATION AND COLONIZATION

Salaries, $260,766; contingencies, $30,000.

Mr. WOODSWORTH: I should like to have a statement from the minister with regard to the reported influx into this country of a considerable number of boys, I think it is some five hundred. How many are being admitted, and why should they be admitted under the conditions which now exist in Canada?

Hon. W. A. GORDON (Acting Minister of Immigration): The newspaper reports with respect to the admission of boys—I must make it plain that they are British boys—cast no reflection at all upon the policy of the Department of Immigration. I think I can probably satisfy the hon. member by saying that as severe a restriction has been placed upon migrants coming to Canada as has ever been enforced by the department. For many years associations have been established for the purpose of bringing people to Canada from other lands. These associations have grown up and have spent large amounts of money and there is no doubt that from time to time they have brought people to this country who have proven to be very acceptable. These associations have not confined their activities to any one race, but mainly have had to do with British peoples.

In connection with the matter referred to by the hon. member, I will say that the provinces have been consulted with respect to what migrants they could absorb, what prospects would be offered to migrants for getting on in the world, or the possibility of their contributing something to the settlement of our vacant lands. The British boys referred to by the newspaper articles are being brought out at the request of the province of Ontario. I interviewed the various agencies and pointed out that we were passing through a time when these boys might meet with obstacles which would give them a good deal of trouble, that perhaps they would not have the same chance as the immigrant who came to Canada a few years ago, and under these circumstances immigration into Canada should be restricted until such time as the outlook might be more

attractive. These various associations embrace the United Church of Canada, the Roman Catholic church and other bodies, and their activities have been known to the department. They first asked for 800 boys, but I stipulated that the maximum movement should be 500, and it will not reach anything like that number. I was satisfied with their assurances that these boys would take up vocations provided for them by the different associations and would not be a charge upon the country. I am not persuaded at all that Canada is at a point where she can refuse admission to any desirable people, particularly British people.

Mr. WOODSWORTH: It is hardly necessary to point out that there are thousands of our own boys just leaving public and high school who find it impossible to obtain work. They are qualified for farm, office or factory work, but they cannot find openings. It seems to me a very doubtful policy indeed to permit boys from any other country, Great Britain included, to come to this country to take work away from our own Canadian boys, who will then have to walk the streets.

Mr. SPENCER: What ages are these boys?

Mr. GORDON: Mostly between the ages of sixteen and eighteen.

Mr. GARLAND (Bow River): Mr. Chairman, I want to protest in as vigorous a manner as ever I have done in this house against the bringing in of these boys. I have not the words at my command to express my utter disapproval of the policy of bringing teen age boys and girls to this country, particularly boys. Only the other day I happened to have the opportunity of studying a report of the Canadian Council on Child and Family Welfare and I find that in the city of Toronto when the single unemployed were registered during the first great registration, some 12·5 per cent of the total single unemployed were boys of teen age, between sixteen and twenty years, the majority of whom were immigrants who had been brought to this country within the previous few years. That condition in the city of Toronto must reflect the general state of affairs throughout the country and should justify the complete abolition of this policy. The minister will find in every principal city in Canada orphan homes out of which numbers of boys and girls who have reached the age when they are required to leave the institution are being dismissed yearly. These boys and girls cannot be taken care of, yet we proceed to pour in hundreds of other boys from the old country. I wonder if the minister realizes that there is hardly a province which does not require more and better facilities for the taking care of our own boys and girls?

I think the policy of bringing these young people into this country to work for farmers is nothing short of brutal. Case after case can be cited where extreme hardship has resulted, and the mere excuse, as will doubtless be provided by the minister, that there is inspection, is not sufficient. When an inspector visits a farm he cannot expect a boy who has to live with the farmer to tell the truth if there is any danger of the farmer finding it out. The result is that these boys run away, get into the cities, and add to the present unemployment problem. I have protested against this matter at every opportunity, and I repeat my protests to-night and ask the minister to reconsider his stand on the matter.

Mr. CASGRAIN: Mr. Chairman, I have no desire to prolong this debate, but since the government now in power, through the mouths of its representatives during the last elections, protested so strongly against the policy adopted by the former administration, I feel it my duty to protest against the policy adopted by the minister. It has been said throughout the country, and particularly in the province of Quebec, that the government which preceded the one now in office was responsible for the hard times and unemployment which existed, because of the fact that too many immigrants had been permitted to enter the country. I think it is my duty as a representative of the people of my constituency, and more especially voicing the sentiments of Quebec, to protest most strongly against the government allowing and helping these boys, even British boys, to come to Canada under present circumstances. There is no doubt, from the figures that have been given by hon. members who have preceded me, and having regard to the conditions that obtain in the west and also in Ontario, that these young boys who have been allowed to enter Canada will not be a source of help, but in the course of a few weeks or the next few months, or perhaps in a few years, will, as has happened to others in the past, not find enough work to support themselves and probably will become public charges, of which under present circumstances we have already too many. We are told there is no place where our boys who leave college or their own homes, can earn their living; there is no chance for a boy from Quebec who goes to Ontario to meet his people, if he has any there, to find employment and earn his living; and yet we are allowing boys from the other

side to come in. Even if they are good boys, nevertheless they become surplus labour in Quebec, Ontario and other parts of Canada to which they may drift in the future. I strongly protest against the policy of the present administration, which is lacking in its duty and not fulfilling the promises made during the last election, when hon. members opposite said that if they were returned to power they would see that the flow of immigration which was the cause of the present depression would be stopped.

Mr. EULER: I should like to ask the minister as to the policy of the department with regard to a phase of the immigration question which has not been mentioned here to-night and which, as a matter of fact, is directly opposed to what might be called immigration. I refer to the subject of deportation. I am quite in accord with any policy that restricts, to the extreme, immigration to Canada at this time, having regard to the depression and the prevailing unemployment. But many deportations are made by the department, I understand at the request of the representatives of the municipalities. I offer no objection to the deportation of foreigners who are undesirable, but I should like to say a word on behalf of a certain class of people who came to this country in good faith, at a time when we wanted them to come, and who have been here perhaps only two, three or four years, not sufficiently long to qualify them for naturalization and citizenship. Some of them, through no fault of their own, though quite willing to work if employment can be obtained, have been placed in the unfortunate position of being deported. There are those who consider, I believe quite honestly, that a man who is not a citizen and who has become a public charge should be returned to the country of his birth. I am not quite in sympathy with that view. When men have come to Canada in good faith, perhaps at the invitation of the federal government; have taken employment, have conducted themselves properly, and would no doubt in due time, just as soon as possible, become Canadian citizens; and when, through no fault of their own but because of the depression that now reigns in this country, they lose their employment as many native-born citizens have done, we should apply the greatest judgment, generosity, fairness and justice to any proposal that they be deported. What is the minister's policy when a request comes, let us say from a municipality, that a certain list of residents, foreigners, who have been here a short time, be deported on the ground that they have become public charges? Does the department deport them without further investigation? Or does it make inquiries of its own, and if so, upon what principle does it act before deporting those people?

Mr. GORDON: When I assumed administration of the Immigration department, the situation as I found it in regard to the working out of the question was one which I have never agreed with since I have been able to comprehend the meaning of migration to this country. The question that has just been raised by the hon. member has, of course, given me a good deal of concern. Every case is dealt with upon its merits. In the past, through various influences, through different policies that were adopted, it was thought that the solution of our country's troubles was to encourage people from any quarter of the globe to come to Canada, and for this purpose assisted passages were given and concessions were granted here and there. That policy was not new; it was followed by the United States for many years, and some ten or fifteen years ago they saw the fallacy of it. This government, however, adopted an attitude which I think should be commended. When we came into power, having regard to the fact that we had through various agencies allowed people to come into this country, sometimes as a result of representations made by people not under the direct control of the government of the day, we found ourselves confronted with a situation that was not very comfortable to say the least. Rightly or wrongly, I came to the conclusion that we should take drastic steps to control immigration, from the standpoint, not of pure materialism, but of trying to control our population so that in the future we may be able to say that we have attracted to Canada those best calculated to build up a strong and virile country. So far as I am concerned, that policy has been very sturdily pursued. I am not unmindful of the difficulties involved in the point raised by the hon. member, because I have to deal with such matters every day. Men have been attracted to Canada; they have come here expecting to find work and oportunities far beyond those available to them in their own country. At times they have undoubtedly been induced to come here by promises made by those who in the past had agreements with various transportation companies, promises that could not be fulfilled. That is a burden which the government of Canada must assume. We have at present in this country from many lands, hundreds of thousands, many of them splendid people, but many of them, I must reluctantly admit, such as we could well do without. We have many people representative of many races; we are faced with the problem of divided families,

with part of the family in Europe or elsewhere and part of it here, with all the hardship that that involves. Even though we are confronted with a severe depression it will take a great deal of argument to convince me that we have to shut the door to migrants from the British Isles who want to come here, paying their own way, taking care of themselves and bringing money with them, although that is an indifferent matter compared with the spirit that prompts them to come. So far as I am concerned, while at the present time we encourage no one to come here until we clean up at home the mess that was left with us, I want to say to the committee that there will be no shutting of the door to British immigration.

Mr. EULER: I am not sure that the hon. gentleman answered my question. I should like to know the policy of the department in respect to deportations. Does the department accept the recommendations made by municipalities as to deportations, or does it make further inquiry as to the merits of each individual case?

Mr. GORDON: When a complaint comes in to the department—and under the Immigration Act these complaints come from the clerks of municipalities—against people who have contravened the provisions of the Immigration Act, it is investigated by the officers of the department, and until the case has been finally decided and an appeal has been allowed or dismissed, no deportation takes place. There never has been a deportation of people from this country without careful investigation beforehand.

Mr. EULER: I do not wish to be misunderstood. I have no complaint whatsoever to make with regard to deportations of a delinquent or a man who has committed a crime and is consequently deported after he has served his sentence. I am referring entirely to those who, merely by reason of the fact that they cannot find employment, but would otherwise make desirable citizens, are reported to the department, and I am asking whether in such cases they are deported.

Mr. GORDON: I know of no case where deportation has taken place of a desirable citizen simply because he has become a public charge through inability to find employment. I do not know of any such case.

Mr. SPOTTON: It is very refreshing indeed to hear the opposition criticizing the immigration policy of this government. I presume that if it had not been for the 750,000 immigrants who were brought into this country by the late government during the last six, seven, or eight years, we would not have had such an unemployment problem on our hands to-day. However, my immediate point is this: There seems to be a direct attack to-night against permitting five hundred British boys to enter Canada. Surely hon. gentlemen opposite are straining at a gnat and swallowing a camel. On behalf of those boys in my constituency I just wish to say that we have boys of sixteen to eighteen years of age who came through the Vimy Ridge farm at Guelph and latterly from Norval near Brampton, and in the last four years I have been responsible for bringing some fifty-five of these boys to my constituency. I wish to bear testimony to-night, Mr. Chairman, that my county is very proud of those boys. They came from selected families in the old country and came because they had a desire to learn farming out here, not to tell the boss how to farm or how they do it "over 'ome," but to learn farming as it is done in this country. There may have been one or two or three of them who have gone to the city, but if they have I do not know it, and I keep in close touch with these boys. The farmers in my county want more of them. I had one boy who came to a farmer in my county and stayed two years, grew robust, learned farming and then returned home to England, and he is now one of the greatest boosters Canada has. Another young man succeeded him, and this fall after two years with the same farmer he goes to the agricultural college at Guelph to pursue his further studies there.

I cannot understand why hon. gentlemen who are always talking about doing something that might block any arrangement we might make with the empire at the coming imperial conference, should just a few weeks before that conference meets tell the world that we cannot take five hundred clean British boys and assimilate them here. I think we can do it in the province of Ontario if they are not wanted elsewhere. I could not let this opportunity pass, Mr. Chairman, without stating the position of the farmers in my county. When hon. gentlemen opposite speak of the unemployed in the cities, there is not a farmer who can go into the cities and find very many boys who want to go out to the country and learn farming. Most of the farmers in my constituency who apply for boys who do not smoke; they do not want cigarettes being smoked around their buildings. In the ranks of the unemployed in the cities I do not think you could find a young fellow who knows which end of the horse to put a

collar on, and they do not want to know; they do not want to learn farming. So it is ridiculous for hon. gentlemen opposite to say that these British boys are taking employment from those who are to be found in the ranks of the unemployed in our cities. I just rose, Mr. Chairman, on behalf of the few hundred boys who have come to my constituency in the last ten years, to say that they are a very fine type of citizen, and that the farmers in my county are asking for more of them.

Mr. MACKENZIE (Vancouver): I have been amazed to hear my hon. friend the Minister of Immigration for the second time during the present session refer to his arduous endeavours to clean up the mess that was left on his doorstep when the late government went out of office. The only impression that his remarks have left upon me is that they are redolent of his self-appointed pasture. I wish to ask my hon. friend from North Huron who was a member of the opposition in 1929, what was his attitude on that occasion with regard to the stand taken by the leader of his own party in regard to immigration into Canada. The present Minister of Immigration was not a member of the house at that time, but my hon. friend the Minister of Trade and Commerce was here, and for the information of the committee may I just quote the words of his own right hon. leader in a debate in this house just a few short months before his party faced the Canadian people in the election of 1930. It is well known in the minister's own department that the policy of effective restriction of which he now prates so highly, had already been put into effect by the late administration before he was honoured by the portfolio of minister. Here is what the Prime Minister of Canada, then leader of the opposition, said in this house of February 11, 1929, at page 22 of Hansard, speaking in the debate on the address in reply to the speech from the throne:

> We have here one of the largest undeveloped areas in the world; we have a very pressing necessity for more people. There need be no misapprehension about that, notwithstanding what has been said from time to time to the contrary.

Then listen to this:

> It will be found that the increase of population in this country brought about through bringing additional people in will not only lessen unemployment for those who are now in it, but will increase all employment.

Where are my Tory friends now? Where is the member for North Huron who would not swallow a camel?

Mr. SPOTTON: In answer to the hon. member for Vancouver Centre—

[Mr. Spotton.]

Mr. MACKENZIE (Vancouver): Mr. Chairman—

Mr. SPOTTON: Mr. Chairman, the hon. member asked me a question.

Mr. MACKENZIE (Vancouver): The hon. member for North Huron may reply when I am through.

Mr. SPOTTON: The hon. member asked me a question twice, Mr. Chairman, and I should like to—

Mr. MACKENZIE (Vancouver): My hon. friend can answer all the questions he likes when I sit down. My hon. friend from North Huron said that we were straining at a gnat and swallowing a camel. By his silence during the speech of his own leader, now the Prime Minister of Canada, he not only swallowed a camel—he swallowed a whole camel corps. During the session of 1929 the then leader of the opposition, now Prime Minister, a few short months before the general election of 1930, used these words, as recorded in Hansard, that the bringing into Canada of immigrants would not only lessen unemployment but would increase employment all through the dominion. Let me quote him further at page 23:

> Mr. Bennett: The minister says: "Hear, hear." The responsibility rests with him and his government. We have no power to control the expenditures; we have no power over the money of this country; but all I can say is that when in the fullness of time that power is entrusted to those who sit to the left of the Speaker, they will deal with the immigration problem in a different manner.

And what was that different manner? The general organizer of the Tory party, who is now a distinguished member of the Senate, introduced into this house a resolution for bringing in 300,000 immigrants to settle the vast spaces of our western prairies. The government spent millions of dollars last year in Saskatchewan to help the destitute. How many millions of dollars would it have cost this Tory government if the plans of its general organizer had been put into effect?

Now, sir, my versatile and volatile friend the Minister of Railways gave expression to this perfect gem, and I hope my friend from North Huron will remember it. I am quoting from page 2746 of Hansard of May 22, 1929:

> My complaint is not so much that the number of British immigrants is not larger, as that our immigration of all classes is much too small. The question is often asked: how many can we absorb in this country? I submit that we can absorb as many as we can put at useful occupations and as many as we can handle without crowding out the other classes of the people already here, whether they be farmers or labouring people. I submit, Mr. Speaker, that

we could take many times the numbers of people of all kinds than we are getting at the present time.

That was the official policy of the Conservative party a few months before they went to the country in 1930.

An hon. MEMBER: Quote it again.

Mr. MACKENZIE (Vancouver): I am going to quote another passage which is equally significant. At page 2752 of Hansard in the same speech the present Minister of Railways said:

> It is obvious to my mind that the government has not a satisfactory immigration policy. If Canada is to grow, prosper, and progress, it is the duty of this government to awaken to its responsibilities and really try to bring down an immigration policy adequate to the needs of this dominion.

That, Mr. Chairman, was the policy of the present Prime Minister in 1929, that was the policy of the Minister of Railways in 1929, that was the policy of the distinguished organizer of the Conservative party in 1929, that was the policy of every single member of the Conservative party who supported his leader in this house in 1929. Then in 1930 they went to the country on a diametrically opposite policy, and yet the Minister of Immigration has the audacity to come to this committee this evening—

Some hon. MEMBERS: Oh, oh.

Mr. MACKENZIE (Vancouver): He has the audacity to come to this committee this evening and talk about the "mess" left upon his doorstep. If there were too many immigrants brought into Canada in the three or four years preceding 1930, the fault lies not with the then administration but with the official opposition of that day; for if their recommendations had been hearkened to we would have had ten, twenty, yes, one hundred times as many immigrants as were admitted —and then the Minister of Immigration would have had on his doorstep that "mess" to which he has referred twice this session. I hope the members of the Conservative party will read the record of what passed in this chamber in the session of 1929, for then they will realize that the work of the late administration was effective in restricting the flow of immigration, although in taking that course they had to fight against the pressure put upon them by the leaders of the Conservative party to flood Canada with immigrants for a period of five, six or seven years.

Mr. MITCHELL: Mr. Chairman, early in the discussion the Minister of Immigration said that no one was deported until he had had an opportunity to appeal to the department. The case which I am about to deal with has to do with the city from which I come, and I think there are many like it. The lady in this instance had been in Canada for over twenty years, she was married in this country and had three children, whose present ages are eighteen, seventeen and fifteen; she developed fits and was put into an institution at Woodstock Ontario; she was deported on October 3, 1931, and was on the way to Great Britain before her husband even knew what had happened. What is the policy of this department with respect to the husband and three children who are left in the dominion?

Mr. GORDON: I cannot identify the case to which the hon. member refers, but for his information I may say that the deportation of people to their country of origin is not done in any autocratic, cruel way, such as might be inferred from his remarks. They are given every opportunity, so far as I know, because their cases come under review time and again, with a view to finding out what responsibility this country has to take care of these poor unfortunates who find themselves in mental difficulty and have to be put in mental hospitals. I am sure the hon. member recognizes that the province of Ontario and the other provinces have spent many millions of dollars in order to treat and take care of mental cases. I think it is incumbent on the other nations of the world to take a leaf out of the provinces' book and to assume their responsibilities in this regard. I can assure the hon. member that no case that I have any recollection of has not received very careful consideration by the department in an effort to place the responsibility where it lies. As these cases come up every day it is impossible for me to identify this particular case.

Mr. MITCHELL: These cases are well known in the section of the country from which I come. What the people of Hamilton most object to with respect to this case—it was widely discussed last year—was the separation of the mother from her husband and her children without their knowledge. We want to know what is to become of the three children. It was at least the bounden duty of the department to let the husband know that his wife was going to be deported. I would like to say that the lady in question is living the life of a normal human being in England, and is not in any institution of any kind at the present time.

Mr. GORDON: Would the hon. member give me the name?

Mr. MITCHELL: I will give the minister the name.

Mr. SPOTTON: I must apologize for rising, but since the hon. member for all Vancouver directed two questions to me and would not allow me to answer I will take this opportunity of doing so. The hon. member asked me where I stood. He may not be able to understand this, but I have often stood for myself, and I have not always stood behind the various leaders of the Conservative party. Probably my hon. friend will not be able to understand that. On every fit occasion for the last thirty years I have always stated that there was no hurry to populate Canada with the different European nations. Those who are here are all citizens of Canada and they are all our brothers, but throughout my whole life my attitude has been that this is the last of the new countries. During the thirty or thirty-five years I have considered this matter it has been my belief that Europe was becoming overcrowded, and the different countries were looking to Canada because, as I say, it was the last of the new countries. I always said there was no hurry to fill up our great west but that we should keep it for the children, and the children's children, of the two great pioneer races of Canada.

That always has been my position, and it will continue to be so. What is going to happen in the future if we fill up our great west? The two great pioneer races in Canada must reserve a place for generations yet unborn.

> What matter that at different times
> Our fathers claimed the sod;
> What matter that at different shrines
> They prayed unto one God;
> In fortune and in fame were bound
> In stronger links than steel;
> And neither could be safe or sound
> But in the other's weal.

That has been my stand, I wish to inform the hon. member for all Vancouver, throughout my whole life.

Mr. GERSHAW: I should like to ask the minister what is the policy with regard to divided families. He mentioned the problem of bringing divided families together, and I should like to ask if a man in this country who has a close relative in a European country other than Great Britain has a chance of getting that relative out to Canada at the present time.

Mr. GORDON: The policy of the department with respect to the union of divided families is first to investigate closely that part of the family residing in Canada. If on investigation we find that the person in Canada is acceptable in the view of the departmental officials and of myself, and that the person sought to be brought to Canada will not disturb or be a burden upon labour in this country, then a recommendation is made to council and an appropriate order in council is passed. All those orders in council are available to hon. members of the house. Of course, of necessity that policy must be relaxed when we get through this depression.

Mr. LUCHKOVICH: I believe the minister did not quite understand the question of the hon. member for Medicine Hat. I think what the hon. member meant was this: If a man and his wife in this country have a boy or girl in the old country, and that child has reached the age of twenty-one years, I believe they cannot bring the child to Canada because of some regulation enacted in the past. I should like to ask if a father or a mother can bring a boy or a girl of twenty-two years of age from Poland or Roumania to Canada.

Mr. GORDON: Not as a matter of right. We are charged with trying to preserve, for the present at least, the labour market in Canada for persons at present within Canada. While it may occasion some distress to parents to be unable to bring their twenty-two year old boy to this country, yet we must preserve to the people who are here what labour is available to them. However, I hope that is not a policy which will have to be pursued for a very long time. Each case is dealt with on its merits, but the underlying principle is this: If the person sought to be brought to Canada is likely to take a position in the labour market here which will displace some person already legally and properly in Canada, then the reunion will have to be postponed until things take a different turn.

Mr. MITCHELL: I just want to ask the minister a question in connection with the speech he made in this house on February 23. At page 440 of Hansard I find the following words:

> . . . whether we like it or not, we must get over to the positive side of immigration, because we must have more people if we hope to pay off the debt with which ten million people are loaded at present by reason of the railroad problem on our hands.

Mr. CASGRAIN: Is that the policy of the government?

Mr. BOWMAN: Mr. Chairman—

Mr. MITCHELL: I would like an answer to my question, because this matter has been the subject of discussion in the labour movement in the city in which I reside. What

is the policy of the Minister of Immigration in connection with the announcement he made in this house this year?

Mr. GORDON: I do not know that I need add much to what I said on that occasion. Anyone who has followed the debates in this house and who has an appreciation of the different railway and road services that have been created in this country, preceding settlement, must recognize that in order to get the fullest advantage of them, and indeed to pay for them, people must be colonized along those services. I do not think the hon. member need have any great fear that in its administration of the immigration laws the present government will induce to come to Canada people who are likely to disturb the labour market. But we have an immense country. The hon. member for Vancouver Centre blamed the situation upon someone on this side of the house, and charged me with blaming it on members on the other side of the house. That really does not mean much to me, because at present I am administering this department, and my task is to colonize the people at home, with full knowledge of the fact that without an increased population, carefully selected—which may be a slow process—this may be difficult.

That is what I meant by the positive side of immigration. We will ultimately get to the point where we will have a population which properly colonized, will be able to share the burden of debt which has arisen from the public services we have projected and made available to the people of this country. That is the policy of the government.

Mr. BOWMAN: I gather from the remarks of the hon. member for Vancouver Centre that the policy of the Conservative party in 1929 was wrong. If that is so, I presume the party will be commended for changing their policy and getting on the right track now. With respect to permitting teen age boys to come to Canada, I appreciate the difficulties with which the government is faced when these youths are brought in from Great Britain. It is a serious matter. I also appreciate the difficulty in putting into force rules or regulations which perhaps would interfere with the good will and good feeling which exist between Canada and the old country at the present time. Possibly a gentle hint from the minister or from the government to the authorities responsible in the old country, or those who are thinking of bringing these youths to Canada, might have the desired effect without the necessity of there being any binding rules or regulations adopted by the Department of Immigration.

Mr. SPENCER: I notice quite a decrease in the amount asked for this year. Can the minister tell us where the cut has been made?

Mr. GORDON: The decrease is due to the abolition of certain offices: one chief clerk; one woman officer; one clerk retired; two clerks, grade four; one clerk, grade three; four stenographers, grade two; two typists, grade two; one typist, grade one; one clerk, grade two; one messenger. Then, of course, there is the ten per cent reduction in salaries.

Mr. CARMICHAEL: A year ago the minister made a statement with regard to the placement of families in various provinces under his back to the land policy, which he advocated. Has he any information to give the committee now?

Mr. GORDON: Rightly or wrongly—I do not know whether hon. members will agree with me—it became apparent to me when I assumed my present office that there were and would continue to be in increasing numbers people unemployed who were formerly engaged in industry. In Canada we had many families who had farm experience and who had gone to the cities, attracted there by high wages. They found themselves out of employment and although they had some money it was dwindling through payment of rents and so on. I thought it desirable to enlist the services of the railway companies and of those who had theretofore been interested in immigration, with a view to coordinating the efforts of all. The purpose was, by helping people to select vacant farms, of which we had many thousands, to enable them to go back to the land and become self-supporting. Someone may disagree with that and say that that is not the place in which to become self reliant. I am not prepared yet to agree with those who hold that view. However, we did meet with a measure of success, which I think is commendable. Many people who found themselves out of work, with some money and with farm experience and an agricultural background, joined in the effort and went back to the land. The latest figures we have, so far as the railways and the department are concerned, show that just under fifty thousand people are back on the land to-day. That comprises families who have taken up farms, and about fourteen thousand single men who are working on the farms of Canada.

Mr. VALLANCE: Where did they go?

Mr. GORDON: I could scarcely trace the fifty thousand.

Mr. VALLANCE: Tell us where some went.

Mr. CASGRAIN: What proportion established themselves in certain parts of Quebec?

Mr. GORDON: I will come to that. The department pursued the project which it outlined for itself in the fall of 1930 and, I believe, every province in Canada followed in the wake. Certainly Ontario and Quebec did, as well as the western provinces, and the maritime provinces, in a measure. I have not the figures as to what they have done, but if any hon. member would like to have the figures which the railways and the Immigration department have for the farm placements, they are available, because we have kept complete records of each family, where they have gone, what wages they are receiving, and so on. I do not think that the families would care to have their names heralded from the housetops. They are receiving no help from the government. They are doing all right and are going to make good.

Mr. VENIOT: Would the minister be good enough to table in the near future a report of that transaction so that we will know where we are?

Mr. GORDON: I shall be very glad to table a report, but I do not want to give the names of the people who have gone to the farms.

Mr. VENIOT: Why?

Mr. GORDON: That is their own business.

Mr. CASGRAIN: The minister could state how many had settled in each locality.

Mr. GORDON: Yes, but not their names.

Mr. VALLANCE: I think the minister knows what he wants to convey, but there seems to be a misunderstanding in the committee as to what he is actually conveying. When the minister speaks of settling these people on farms, does he mean settling single men as hired men, or is he referring to those placed on abandoned farms? If the latter, I should like to know where those abandoned farms are, because I do not know of a single instance where this has taken place. Is the minister referring to the single men placed under the provisions of the Unemployment and Farm Relief Act, where the farmers were paid by the government for the keep of the men?

Mr. GORDON: No, I have no reference to that. The families which have been settled on farms consist of people who had sufficient money to go back to the land under the guidance of the railways and the department. I was not referring to the single men placed on farms and assisted by government gratuities, I was dealing strictly with the business of the department.

Mr. BRADETTE: I am vitally interested in the question of colonization, because my riding has shown the greatest improvement in this respect of any district in Canada. During the last ten years the number of occupied farms in Cochrane county has increased from 274 to 2,490. Last year I endeavoured to obtain the information now being asked for by hon. members, but I was unable to do so. Will the minister advise the committee how many people have been settled in North Timiskaming?

Mr. GORDON: I am sorry I am unable to give the information asked for by the hon. member, and unless a resurvey were made to divide Canada into ridings for the purpose, I doubt if it could be supplied. The following figures show the number placed between October 1, 1930, and February 29, 1932:

British Columbia	70
Alberta	1,360
Saskatchewan	696
Manitoba	904
Ontario	2,567
Quebec	127
Maritime provinces	431

I have examined the reports of the railways and I find them to be very accurate. The families placed by the Canadian National Railways number 2,894; by the Canadian Pacific Railway, 2,471, and by the department, 987. The single men placed by the Canadian National Railways number 2,983; by the Canadian Pacific Railway, 4,331 and by the department, 6,155. These figures cover the same period to which I have referred, from October 1, 1930 to February 29, 1932. On the basis of five members to a family, 45,229 individuals have been absorbed in agriculture.

Mr. BRADETTE: Mr. Chairman, I still maintain I am not receiving the information for which I have been looking for the last two years and to which I am entitled. The hon. minister has just stated that those who have been placed on farms would not like to have their names shouted from the housetops. but this government has been going up and down the country boasting of its wonderful back to the land policy. The hon. minister has just stated that 50,000 people have been placed on farms without any assistance from the government, but I maintain that to do that is humanly impossible. The minister knows that in northern Ontario the settlers will require provincial or federal aid before they will be

able to seed their land. People cannot be taken from the cities and placed on the land without assistance from the government, especially with the present low prices being received for farm products. If the government sees fit to announce this policy throughout the length and breadth of this country, it should furnish the information to which the committee is entitled. There is no back to the land scheme which is workable under present conditions without aid from either the provincial or the dominion government. I have received hundreds of letters asking for federal aid, and the government owes it to the committee to announce a clear and definite policy in connection with land settlement. Mention is made of abandoned farms, but there must be some reason why those farms were abandoned—there is no doubt that the original holders could not make a living. It would be impossible to take people from the cities and place them upon the land in northern Ontario without governmental aid. I shall not criticize, but will support any movement which will alleviate unemployment in the cities, but I do not want to see the unemployment in the rural districts become worse. I have enough faith in the minister to feel assured that he will do his best to see that this situation is remedied.

Mr. GORDON: I think I have a fair idea of the difficulties being faced by settlers in the riding of the hon. member (Mr. Bradette) as well as throughout Canada generally because incidentally I have come into contact with them for many years. But I should not like his observations to go without some passing comment. I trust the hon. member does not complain because the government has met with a degree of success in having people return to the land on their own money, the government making the way as easy as it could for them, only with advice, I will admit, as to placing them upon the land best suited to them. I trust he will not complain as to the success the department may have attained in that regard.

With respect to settlers in the northern part of Ontario, I know their plight; I am acquainted with their difficulties and I appreciate the courage which they have exhibited throughout this period of depression. I have reason to remember their courage during the past two or three years; I am not unmindful of their wants; I am acquainted with the efforts that have been made by both the Quebec and the Ontario government to assist them while they have been cleaning up their farms. I do not need to tell the hon. member that those settlers will receive most sympathetic support.

Mr. VENIOT: May I ask the minister whether the list he just read showing the returns to the farm by provinces, includes all he has in mind? If it does, I may say that he has given no figures showing 50,000.

Mr. GORDON: The figures—and this is all I have said in the house or out of it—including the units of families together with single men, would amount, as of April 2, to 44,959. That is being increased each week. This is on the basis of five to each family.

Mr. VENIOT: That does not agree with the figures the minister read for his province.

Mr. STEVENS: He gave figures of families.

Mr. VALLANCE: I noticed the minister quoted the figures for the various provinces. The other night, when the hon. member for Saskatoon was speaking, I think on the Unemployment and Farm Relief bill, he read from some letters that he had received from settlers that had been placed in Meadow Lake, north of Battleford, showing how successful they had been. I know the country into which those people went and I know a number of people who have gone in there and done well; but all the people I know that have gone into the northern portions of Saskatchewan have been those driven out of the south because of the conditions existing there. If the minister is counting those people—

Mr. GORDON: I can assure the hon. member I am not.

Mr. VALLANCE: I have watched the migrations of those people in the last two years. Situated as I am on the west centre of Saskatchewan, I have seen hundreds of them go in. Is it the intention of the government, now that they are placing them on abandoned farms, as the minister has stated—

Mr. GORDON: Not only on abandoned farms—on any farms available, or crown lands.

Mr. VALLANCE: The only farms available to-day in Saskatchewan are either homesteads along the northern fringe of settlement or abandoned farms, because you cannot sell a farm; if the minister knows where he can make any sales, I wish he would let me know.

Mr. GORDON: I am making them every day. If the hon. member has a farm to sell, let him place it with me.

Mr. VALLANCE: We are dealing with immigration of British boys. I listened to the hon. member for Dauphin give as his reason why we should go, as we say in Scotch, "very canny" at this time, the approach of the

imperial conference. I am of the same opinion that we should go "very canny," but not for that reason. Looking at the question from the boys' viewpoint, I do not think this is any time to bring a boy from Great Britain into conditions such as prevail in Canada to-day. I might tell the minister it is just twenty-six years ago to-day since I left the Clyde, but the day I reached Canada conditions were very different from what they are now and any boy coming from Great Britain at this time will find the struggle much harder than did those of us who came here when I did.

Mr. GORDON: The hon. member is too modest.

Mr. VALLANCE: I am not. There are hundreds who have done the same as I. I urge the government to go very slowly in inviting those boys to come to Canada at this time. Like the hon. member for Bow River and for the same reason, I know many of them and get close to them because I am a fellow countryman. We have travelled the road they will have to travel if they come here.

Mr. GERSHAW: The minister said that he had not given any assistance in a financial way. Has he received any request from the provinces to help to place on the land some of the experienced farmers who are unemployed? I quite agree that land in some places is available. If such a request were to come to him, would his department be willing to consider it in view of the fact that in any case they have to keep most of these people?

Mr. GORDON: The question of giving state aid to colonization—and it has been a subject that many countries in the western hemisphere have undertaken—is one that requires a great deal of consideration. We in Canada have from time to time given aid; shortly after the war we started on rather an elaborate program of state-aided settlement. In view of the present situation the success of that is very difficult to measure. When the program of the department became known with respect to reestablishing people on the farms where they would at least be able to look after themselves in a modest kind of way, many requests came in from all kinds of societies and even at times from provinces, outlining schemes whereby people could be put on the land and be state-aided with money. This is a matter that would require most careful consideration. When I started out to try to reestablish people on the land, my viewpoint was that we would take people from the cities, get them off the unemployment shelves and make them self-supporting.

Item stands.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Friday, April 22, 1932

The house met at three o'clock.

SUPPLEMENTARY ESTIMATES, 1932-33

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1933, was presented by Hon. E. N. Rhodes (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

UNEMPLOYMENT AND FARM RELIEF

Hon. W. A. GORDON (Minister of Labour): I desire to lay on the table of the house orders in council P.C. 905 and 906, passed under the provisions of the Unemployment and Farm Relief Continuance Act, 1932.

CANADA TEMPERANCE ACT

On the orders of the day:

Hon. C. H. CAHAN (Secretary of State): On the orders of the day I would ask permission to reply to an inquiry made last evening by the hon. member for Battle River (Mr. Spencer). There remain under the Canada Temperance Act the following districts: the city of Thetford Mines, Quebec, the district of Manitoulin, Ontario, and Lisgar and Marquette in Manitoba.

CANADA POWER AND PAPER CORPORATION

On the orders of the day:

Hon. C. H. CAHAN (Secretary of State): In relation to certain matters mentioned last evening by the hon. member for Winnipeg North Centre (Mr. Woodsworth) and the hon. member for Macleod (Mr. Coote), with regard to the Canada Power and Paper Corporation, the fact is—I was quite confident of it last night, but did not wish to rely entirely upon my memory—that this company was incorporated under the laws of the

province of Quebec. It is true that applications were made to the Secretary of State for an inquiry with respect to that company, and one of the applications contained copies of the Winnipeg Free Press from which extracts were read last evening. Representations were made direct to the Secretary of State and to the Secretary of State through the Department of Justice by the firm of Hunt, Auld & Warburton, of Winnipeg. Mr. Thomas A. Hunt subscribed the letter, to which I replied as follows:

It is impossible for me to order an investigation of the Canada Power and Paper Corporation, because it is a Quebec incorporation and does not come within the terms of section 120 of the Companies Act, Canada.

Subsequently representations were made to the Prime Minister to the same effect, and these were referred to me for action. I find that on September 26, 1931, I wrote the Prime Minister as follows:

My Dear Prime Minister:

I have received applications for an investigation, under section 120 of the Companies Act of Canada, into the business and affairs of Canada Power and Paper Corporation, which was one of the companies recently merged under the auspices of the Dunning committee into Consolidated Paper Corporation Limited.

I have declined the request for an investigation into Canada Power and Paper Corporation because I have ascertained that this company was not incorporated under the Dominion Companies Act, but was incorporated on January 16, 1928, under the laws of the province of Quebec.

As you spoke to me recently about a prospective investigation of the above mentioned company, I thought you would be interested in knowing the grounds of my decision.

PURCHASE OF FERTILIZER

On the orders of the day:

Mr. A. E. MacLEAN (Prince): I would like to ask the Minister of Agriculture (Mr. Weir) or some other member of the government whether a resolution has been received from the provincial government of Prince Edward Island asking for assistance in the purchase of fertilizer.

Hon. ROBERT WEIR (Minister of Agriculture): I believe a resolution to that effect has been received but I was unable to look up the details last night. I will be glad to look into the matter and give my hon. friend the information at the next sitting.

SUPPLY

IMMIGRATION AND COLONIZATION

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

Salaries and contingencies, $290,766.

Mr. MACKENZIE KING: I would like to ask the minister one question. Could my hon. friend tell us whether the subject of migration and settlement within the British Empire will be one of the matters taken up at the forthcoming Imperial conference?

Hon. W. A. GORDON (Acting Minister of Immigration and Colonization): That hardly comes within the scope of this item, but I imagine matters of that character will be discussed, though to what extent or from what angle I am not prepared to indicate at the moment.

Mr. MACKENZIE KING: As I understand it, then, the minister's reply is to the effect that he imagines this may come up but at the present time he cannot say.

Mr. WOODSWORTH: Last night the minister was giving us some information about the back to the land movement, although I am not sure that most of us got a very clear idea of the extent of that movement or of just where the people were being placed. Another aspect to the question arises in connection with the proposal made by some of the western provinces to establish people on the land in connection with unemployment relief. To-day I received a wire from Winnipeg, signed by W. L. Parrish, chairman of the commission, reading as follows:

We urgently request immediate action on back to the land scheme approved by city council and provincial government and set out in Mr. Clubb's letter to Mr. Gordon dated March 16th and referred to in Clubb's letter of April 16th. Opportune time to start scheme rapidly passing away. Please do your utmost with Prime Minister and Minister of Immigration. Applicants and public very restless at delay. Please wire reply.

This back to the land scheme as proposed in Winnipeg and endorsed by the province and the city council has been a matter of negotiation for some time, and if these people are to go out on the land they should be there at once; otherwise it will be impossible for them to do any seeding this year. I have not been personally in close touch with the details of the movement, but I know that the minister has recently had an interview with Mr. Clubb, and we should like to have some very definite information as to whether the government is going to fall in line.

Mr. GORDON: The subject referred to by the hon. member scarcely comes under the vote of civil government, but since it has been brought up I might as well discuss it now. Many schemes, all founded on the assump-

tion that they will be state-aided with money have been put forward by municipalities and provinces and societies, but the government has not, up to the present time, given any encouragement to state-aided land settlement —that is, any new state-aided land settlement. The provinces of Saskatchewan and Quebec and probably some other provinces have taken steps towards provincially-aided land settlement, but so far as this government is concerned it has not indicated to anyone that it is prepared to embark upon state-aided colonization.

Mr. WOODSWORTH: Then it is quite definite that no help may be expected in the immediate future from this government.

Mr. GORDON: When the hon. member says no help—

Mr. WOODSWORTH: No financial help, I mean.

Mr. GORDON: Exactly. Possibly the future may disclose where state-aided colonization might be advisable and necessary, but at the moment the government is not prepared to embark upon a scheme of that character.

Mr. WOODSWORTH: Just to be very definite, "at the moment" implies that there will be nothing forthcoming in time for this spring's operations.

Mr. GORDON: Yes.

Mr. BRADETTE: The minister last night, I do not think wilfully, misrepresented what I said on the subject now under discussion. I said I was absolutely in favour of any movement that would help the back to the land scheme. I repeat, I am absolutely in favour of such a movement and, going further, I am in favour of any movement that will keep the rural population on the land at the present time. I believe that the minister last year said that a provincial conference was going to be held in Winnipeg. At any rate, whether that statement was made by the minister himself or whether it appeared in some of the newspapers, I gathered the impression that it was the intention of the department to hold a conference in the city of Winnipeg where all the provincial governments would be represented and in which a thorough discussion of the back to the land movement would take place. So far as I have been able to ascertain, no such conference has yet been held. I want to make myself quite clear on this question. It seems to me that the movement, or the slogan, or the policy of the department, whatever you choose to call it, does not go far enough. As I said last evening, unless the people you place on the land receive a certain amount of help from the government, it will be impossible for them to remain there. On the contrary, it will simply aggravate a situation which is bad enough at the present time. This applies more particularly to the northern section of Ontario. When we speak of putting people back on the land, we have not in mind the prairie lands, because even in the three prairie provinces there is very little prairie land left for settlement, most of the land available being timbered land. The minister knows that to-day there is no market to be had for the lumber, timber, and pulpwood which would be the first crop from such land. This is particularly true of Ontario, for the people cannot even give away the pulpwood they have been cutting during the last two or three years. So that unless the people who are placed on the land at the present time, especially in the wooded areas, receive a degree of help for the first year, at any rate, the situation will be very serious indeed. In northern Ontario there is plenty of land that could be taken up even in the settled parts around New Liskeard, Cochrane, Iroquois Falls, Kapuskasing, Matheson and the Porcupine district, that are to-day partly unoccupied. I am not going to criticize the past policies of any provincial government, but the fact is that the settlers in those districts, not having been able to get any assistance at the initial stage of settlement, could not graduate from the settler to the farmer class. The same principle applies at the present time. If you take people from the city, even people with some money, they will not be able to carry on unless they get help either from the federal or from the provincial government. Some people may be under the impression that if you place more settlers on the land they will not have a market for their produce. So far as northern Ontario is concerned, this argument does not hold, for the very good reason that the people are not now able, nor for a good many years to come will they be able, to produce enough for the requirements of the domestic market around Cobalt, Kapuskasing, Iroquois Falls, Kirkland Lake and the Porcupine district. And the same is true of Sudbury and other districts in the southern section of northern Ontario. So that on that score there is no cause for concern; we could have thousands of additional settlers in northern Ontario and there would be no danger from the point of view of disposing of farm products.

I wish to read here a brief statement issued by Mr. W. J. Price in January, 1932, a report

on marketing conditions in northern Ontario, submitted to the Ontario marketing board:

An examination of these tables, especially the summary, reveals that a policy of land settlement may be followed with vigour, without fear of bringing about overproduction in such essential food products as beef, pork, lamb, butter, eggs, poultry or vegetables. Also it reveals a market sufficiently extensive that for many years to come will be well worth studying and cultivating both by the growers of northern Ontario and of old Ontario as well, the latter particularly as regards those lines which nature has ordained never to be produced commercially in the territory.

I have suggested that such a scheme as the back to the land movement would be physically impossible unless the settlers were bonused in the clearing of the land, and I believe that the provincial government is to-day fully aware of the situation; so that this would be the time for the federal government, through the Department of Colonization, to initiate such a movement.

I wish now to read from a short article which appeared in the Porcupine Advance of March 31, 1932:

Recommends bonus for settlers here.

Plans submitted to Ontario legislature would give settlers a bonus for acreage cleared.

A despatch from Toronto last week says that the "back to the land movement" in Ontario would receive added impetus if a series of recommendations formulated last week by a sub-committee are adopted by the agriculture and colonization committee of the Ontario legislature and approved by the house.

The report presented to the main committee recommended:

1. Bonusing of settlers for acreage cleared and seeded.
2. Immediate survey of vacant farms in Ontario.
3. Publication of the results of the survey in Canada and Great Britain.
4. Eventual establishment of a distinct department of colonization under a deputy minister.
5. Establishment of "shacks" in farming districts where prospective settlers would live while preparing the land.
6. The doubling of Ontario's cultivated acreage by a concentrated back to the land movement.

Has Held Inquiry

Under the chairmanship of Dr. Paul Poisson, Conservative, North Essex, the sub-committee has held meetings throughout the present session of the legislature. During that time it has listened to various officials of the agricultural board and settlers loan commission.

Various speakers have testified as to the seriousness of intention of prospective settlers and the question of vacant farms has been prominent. Many farms along the Temiskaming and Northern Ontario railway had been abandoned by settlers, who had gone to cities, and were now trying to return. Without some form of government aid, it was felt they would be unable to do so. Even in old Ontario there were hundreds of improved or partly improved farms which could be obtained cheaply, the sub-committee's report pointed out.

This brings me again to the comment I made a few moments ago. A provincial conference should be held for the discussion of this back to the land movement. The western provinces have been given their natural resources and any settlement schemes which they inaugurate are under their own jurisdiction, but I believe this government should hold a conference on this matter as soon as possible to avoid conflict with provincial regulations. This matter may come under provincial jurisdiction but we cannot get away from the fact that assistance will have to be given by this government to certain sections of the country. I am sure that the suggestion to maintain our present rural population and keep the people on the land will receive the support of every section of this committee.

The minister represents to a large extent a settlers' riding and should appreciate the necessity for some bonusing system for land cleared. As I said last evening, this matter should be out of the realm of politics but statements by the minister and his department have appeared in different Conservative papers in Montreal, which interpreted these statements in a political way. It has been said that the premier of the province of Quebec is not playing the game with the farmers and settlers. I hold no brief for that province, but I contend that the Quebec scheme is the best there is in Canada. If a similar scheme was in effect for northern Ontario there would be no unemployment and distress among the settlers. The best thing which could happen this year would be for the province of Ontario to inaugurate the bonus scheme put in effect by the province of Quebec. I make this statement in order to correct the impression given by a certain section of the press—particularly Conservative papers—which has been making political capital out of the statements issued by the department. This question has become political because of the interpretations of the statements issued by the department to the effect that a wonderful way has been found to solve unemployment in the cities. I maintain that the present scheme does not go far enough, and the statement of the minister that it is being put into effect without any expenditure by the federal government cannot be accepted in its entirety. I repeat the statement I made last evening: unless this government is willing to initiate a bonus system for the clearing of land, unless it is willing to assist settlers at the primary stages of settlement, although the scheme may not be doomed entirely to failure, it will not attain the ends for which it was inaugurated. I have before me a letter written by Mr. R. Wallace, of Kingston, dealing with that matter which reads in part as follows:

Some time ago I read an account of an experiment in North Carolina, perhaps Greensboro, where forty families were taken out of the bread lines last spring and put on small holdings of vacant land. Houses were fixed up for them by repairs and otherwise, seeds and small tools were supplied, and last fall every one of them had made good, having more than enough produce to carry them through the winter, and all were happy in their independence.

The same success could be obtained in Canada if the minister would give assistance to the settlers at the initial stage of settlement. Northern Ontario does not begrudge the millions of dollars given to the west for wheat bonuses; northern Ontario does not begrudge the bonuses given to the maritime provinces in connection with freight rates, but it does feel that some assistance should be given this spring to its settlers. These men have courage and determination, they want to retain their holdings, but unless assistance is provided it will be physically impossible for them to sow their land this spring. I do not blame the government particularly for this, it is due to certain conditions which have arisen, but these men want to be able to cultivate the land they have cleared during the last two years, they want to be able to put seed in the land they cleared and ploughed last fall, and this will be impossible unless assistance is given.

Only a few days ago I had an interview with the Minister of Finance (Mr. Rhodes), and he told me that the government could not interfere in this matter. However, the government will have to interfere in northern Ontario. The elevators of the west are overflowing with grain while only a few hundred miles distant settlers find it impossible to obtain seed. The expenditure of half a million dollars would be sufficient to supply seed to the settlers of northern Ontario. It is true that in the past the provincial government has been supplying seed grain at cost, but that government has a regulation to the effect that unless the grain supplied during the previous year is paid for, a settler cannot obtain a new supply. I contend it is within the jurisdiction of this government to provide the remedy for this situation. I have faith in the minister, knowing the situation as well as I do myself, and I feel confident that he will find a way to make it possible for the settlers of northern Ontario to obtain seed in order to make their holdings productive.

I thank the committee for the attention it has given to me, especially as I know it is not a popular thing for an hon. member to get up and make a speech at this period in the session. But there are occasions when an hon. member must speak, and that is the reason why I have made my statement. I want the back to the land movement to be successful, and I hope this government, in cooperation with the provincial government, will find it possible to remedy the situation. If the rural districts are made prosperous, then every other section will be prosperous; if a way is found to make it possible to keep these people on the farms, I believe the cities immediately will feel the beneficial effects. All the settlers want is a fair proportion of the good things of life, and it is within the power of this government to inaugurate a movement to satisfy their wants. We are willing to help all other activities, but we must be willing at all times also to help the primary industry of this country. For a long time to come Canada will be primarily an agricultural country. I repeat, at the present time expenditures wisely applied will go a long way towards alleviating the serious situation in which these settlers in northern Ontario now find themselves, and will thus assist our great primary industry.

[Mr. Bradette.]

Mr. GARLAND (Bow River): I understood from the minister that he had cut the immigration staff to the bone. What is the necessity for the continuation of a director of publicity at $4,140 and an assistant director of publicity at $3,000; what publicity are they carrying on?

Mr. GORDON: Prior to the change in the immigration regulations there was a large staff in the office of the director of publicity, and publicity work was carried on in the United States, Great Britain and the other countries of Europe. Since those restrictions were put into effect the staff has been very largely reduced. The present incumbents of those two offices have carried on such publicity as is necessary in connection with the colonization policy at home. Their efforts have not been as extensive as in the past because their work has been confined to Canada. The present staff consists of only five people, three stenographers and the two officials. Perhaps in the future this staff could be further reduced, but from my observations of the work they have carried on I think both these officers should be continued.

Mr. GARLAND (Bow River): Their work at the present time is purely devoted to the colonization activities of this department within Canada?

Mr. GORDON: Yes.

Mr. GARLAND (Bow River): What is the nature of the publicity in connection with that work?

Mr. GORDON: The preparation of articles for the press and keeping records of the meetings of the various organizations that I have called together from time to time to forward the policy of colonization at home. They have also carried on some work in connection with the British overseas offices as well as replying to inquiries from the United States not in the nature of publicity inviting people to come here, but keeping the British offices and American inquirers in touch with the situation in Canada. I would not say restricting—

Mr. NEILL: Advising them not to come.

Mr. GORDON: Not exactly; but pointing out to the British and American people just what the conditions are with respect to an immigrant's chances of success in this country. That generally is the class of work they are carrying on.

Mr. GARLAND (Bow River): If the work is only such as the minister has just described, it can certainly be carried on by any ordinary clerk in his department; it is not necessary to have a director and an assistant director of publicity for the purpose. I am not anxious that the present employees should be dismissed, far from it; but if this government is bound to carry out what to me is its absolutely stupid policy of economy, then they should carry it out in a logical and intelligent fashion, and not retain in office these departmental or branch heads who are merely decorative at the present time and performing no useful functions. If the government are going to cut out the little fellows, they should cut out the big ones too.

Mr. GORDON: I shall be very glad to take the matter under further consideration. I am persuaded, though, that these men are doing useful work at the present time.

Mr. VENIOT: Last night when we were discussing this item the minister was kind enough to give the committee the following information as to persons placed on farms: single men—by the Canadian National Railways, 2,983; Canadian Pacific, 4,331; the department, 6,155—or a total of 13,469. Were those 13,469 placements permanent, or merely single men hired temporarily to work on farms?

Mr. GORDON: Those placements were farm labourers. Whether they are permanent or not will depend upon their temperament, their environment and how much they are getting in wages. If things improve in some other locality they will probably quit the farm and go there.

Mr. VENIOT: As to the families placed, I see the figures are: 2,894 by the Canadian National; 2,471 by the Canadian Pacific and 987 by the department—a total of 6,352. The minister said the average was five to a family. Is that average arrived at from detailed information? If so, why not give the committee the number in each family placed on farms? That is quite a large average.

Mr. GORDON: Not in some sections.

Mr. VENIOT: Will the minister be able to furnish that information?

Mr. GORDON: I probably could, but that average was arrived at by taking a cross-section, as it were, and estimating the number in each family. We started this movement back in November, 1930, probably some of those families have increased since then, and we may have a great deal of difficulty gathering the information.

Mr. VENIOT: If the minister could get that information, even before the closing of the house, I would be quite satisfied.

Mr. GORDON: Probably I can get the information for the most part.

Mr. VALLANCE: Last night I directed a question to the minister and I made a mistake, but it seems to me the answer he has just given the member for Gloucester does not quite bear out his answer to me. He told the member for Gloucester that 14,000 single men were placed on farms. Does that total include the men who last year were placed on farms in Saskatchewan under the Unemployment and Farm Relief Act?

Mr. GORDON: No, it does not.

Mr. HOWDEN: While we are talking about the back to the land movement, I would point out that there are on relief in the city of Winnipeg just now considerably over two thousand families and some seventeen thousand single men. At the present time the province of Manitoba and the city of Winnipeg are joining hands to place a lot of these men on the land. Personally I do not see any means by which Canada will ever overcome her unemployment problem until a large proportion of these men are got back on the land, where they can at least feed themselves. Contrary to the opinion expressed by my hon. friend from North Timiskaming (Mr. Barrette) we have a good deal of land in Manitoba that is suitable for settlement and I have no doubt that a lot of these men could be settled on the land in Manitoba, where they would at all events find a living. We have not heard so much lately about dis-

tress among the farmers of Manitoba as compared with the farmers of the other western provinces. I believe that the farmers of our province are getting at least their bread and butter and have a home over their heads. It stands to reason that at all events cabbages and potatoes can be produced on the land while they cannot be produced on a paved street in a city. This is a proposition which I think should appeal to the minister and to the government, and perhaps the government may see its way clear to giving some assistance to the province of Manitoba and the city of Winnipeg in getting these men back on the land. We have the men and we have the land. Many of these men who are now unemployed are bona fide farmers and they are only anxious to get a little start on the land. The amount I have heard spoken of is six or seven hundred dollars and a piece of land, not an extensive piece. I think in Manitoba at all events we can best overcome unemployment by getting these men back to the land where they can find a living for themselves on the soil.

Mr. DONNELLY: In connection with this back to the land movement, I would point out to the minister that we have in southern Saskatchewan a large dried-out area in which a great many of the farmers have not had crops for two or three years in succession. Some of them are now destitute and are moving to the northern part of Saskatchewan and trying to hew out homes for themselves there. I have had several communications from them asking if this government would be willing to assist them in any way in moving from the southern part of the province to the wooded area in the north. Is the department in any way assisting these people to move from the southern part of Saskatchewan to the north? Has the minister considered the matter at all, and is he willing to assist these people?

Mr. GORDON: The province of Saskatchewan is I believe taking care pretty well of the situation to which the hon. member refers. We must always remember that such subjects as have been referred to by various hon. gentlemen with respect to colonization are in the main peculiarly matters for the provinces to deal with, and I think each province of Canada in one way or another has set up a board or commission which is more or less taking care of that situation. We certainly have had no communications from the provinces generally with respect to the dominion entering into a state-aided scheme of colonization. The province of Saskatchewan has itself inaugurated a scheme which I believe is working very well. The province of Ontario loans money to settlers, and the province of Quebec bonuses land clearing. I do not know what efforts have been made in the maritime provinces but I am sure that they are taking some steps to colonize there because I have had occasion to talk the matter over with their representatives.

The whole question of state-aided colonization is a very, very intricate one, and our adventures into that field have not been crowned with the success that was hoped for. It is, I am afraid, only too true that if you start a person out on a farm loaded with any debt at all, in a large number of cases that will spell his ultimate disaster. That therefore confines the effort to pure gratuities, and just how far the Dominion government is justified in going along that line, and taking over a responsibility which is plainly a provincial one, is a matter for very serious consideration. I am glad to have had the views of hon. members on this question, and while I have given the matter a great deal of consideration, I wish to assure the committee that I will consider it again and see if we can work out in conjunction with the provinces some scheme that may help out in this situation. I may say that all the forces of the land settlement branch have been put at the disposal of those interested in colonization. That branch is very efficiently run, and I know from the many hundreds of communications I have received that it is rendering a real service. I, personally, and I think in this I speak for nearly every member of the house, do not want to go into any state-aided colonization scheme unless it becomes abundantly apparent that that is the only solution. We have met with a measure of success, as I pointed out last night, in inducing people who have some money to take up farms, but we have almost exhausted that class of people who have had an agricultural background and who have sufficient money to return to the land. The future with respect to further efforts along the line of colonization will have to be worked out as we come to it.

Mr. MARCIL: The minister has the advantage—I do not know whether it is really an advantage or otherwise just now,—of filling the dual capacity of Minister of Labour and Acting Minister of Immigration. He has been kind enough to express the wish to hear the views of hon. members with respect to colonization schemes that may be in progress in different parts of Canada. I would like to call attention to the province of Quebec, particularly the eastern part including the counties of Gaspé and Bonaven-

ture. In Bonaventure county the lumber industry has practically disappeared. Our limits have been sold out to the International pulp mills. The mills have been closed down, and last year there were no shanties at all in Gaspé and Bonaventure counties, and only one in Matane county. Thousands of young men have been thrown out of work, and consequently the local farmer has no market for his produce. There is a state of affairs existing in that county which I have not seen for the last thirty years that I have had the honour to represent it here in this house. The present government, under the mandate given it by the people, is seeking to face a condition of affairs which has never before existed in the history of Canada. Many different crises have been discussed in this house from away back to 1878, but within my experience the present one is ten times worse than any we have had before. The only solution that we have in the province of Quebec is to try to induce the thousands of farmers who have flocked into the cities, particularly to Montreal and Quebec, to return to the land. Many of these people are now homeless or will be turned out on the first of May because they are unable to pay their rent. Applications have already been made for the use of the drill hall in Montreal to house hundreds of these families. I understand that twelve hundred families are to be put out on the street on the first of May in the city of Quebec. A large number of these people are farmers or the sons of farmers who flocked into the city at the time of the war where in munitions work they earned as much as ten or fifteen or sixteen dollars a day. Attracted by those high wages they gave up farming. There is no solution possible in the province of Quebec without a return to the farm, no matter to what extent manufacturing and industrial occupations may be developed. We have in Canada ten millions of people in a country that might be able to support one hundred millions of people, but we cannot support our present population without a great many of them returning to the land. No matter what program the government has in mind, no matter what is agreed to at the forthcoming Imperial conference along the line of developing industry and manufacturing, the problem of unemployment in Canada will not be settled until a large proportion of our people return to the land. These people must be sent back to the farms, back to the land. I was glad to hear the minister say that the legislature of the province of Quebec has undertaken some back to the land scheme. In my own constituency His Lordship Bishop Ross, now the bishop of Gaspé, during the last five or six years has headed a movement with a view to opening up new colonization centres in the counties of Gaspé and Bonaventure, and has attracted a large number of young married people who have gone into these settlements to make homes for themselves, repeating the history of the formation of the provinces of Ontario and Quebec which took place a century and a half or two centuries ago.

So far as I can see there is but one solution for the people to whom I have referred, namely to induce them to go back to the land where at least they may have something to eat. True, at the present time there is no market, but the time will come when there will be. Our lack of market is at the root of our present economic difficulties. Due to a kind Providence we have bountiful products of all kinds in all parts of the country with the exception of one or two isolated parts. I hope the Imperial economic conference will be productive of markets; if it is our troubles will be solved, and also the railways will profit. I hope the minister will not abandon his efforts to help the province of Quebec in its scheme of colonization. I know it is his ambition and that of his colleagues to put an end to the present state of affairs, and this can be effected only by going back to the land.

En passant, may I say the Dominion government granted a sum of money to my constituency to carry on local improvement works. The eastern part of the province of Quebec has climatic conditions different from those of Ottawa. In that part of the country, so far as weather conditions are concerned, we are three or four weeks behind this city. Therefore a large number of works authorized last fall have not yet been commenced; others have been commenced but not continued. I have had the honour to send the minister a resolution from county councils in my constituency asking for an extension of time. This work cannot possibly be completed by May 1, and although small when compared with other problems the government have to face, it is important that some way should be found to give an extension of time for the completion of the work. The government may see fit to extend the time to June 1 or July 1.

Coming as he does from a new part of Canada, I should like to impress upon the minister the importance of getting people back to the land. We know that northern Ontario has been changed from a wilderness to its present state of development and that it is one of the most promising parts of Canada. The same may be said of the

eastern section of the mother province of Quebec; the conditions down there are about the same as those which obtained in northern Ontario. I hope the aid given to that section of eastern Canada will not be merely transitory but of a lasting character, something which will endure.

Mr. MUNN: Mr. Chairman, I should like to say a few words in connection with this back to the land movement. In my view if the provincial and federal governments cooperate much good could be accomplished.

I should like to say only a few words concerning the province of British Columbia. In that province there are thousands of acres of logged-off land, fertile soil, where it is not necessary to have irrigation. Climatic conditions are perhaps the best obtaining anywhere in Canada or, indeed, anywhere in the world. The trouble with logged-off lands is that it costs too much for any individual to clear them, the cost being about $300 or $400 per acre. Once they are cleared however they are really worth while. My opinion is that the federal government in cooperation with the provincial government should formulate some land clearing scheme whereby they may put on the market ready-made farms. Those farms would not necessarily be large, because four or five acres of land will support the ordinary small family which might come from the city of Vancouver, Victoria or one of the other large centres. Although the individual cannot finance the clearing, the government is in a position to borrow funds, and carry on the work.

At this time when there is so much unemployment, rather than build roads here, there, and everywhere, I suggest that those lands be cleared, small houses built, and an opportunity afforded to men from the city to gain a living. Probably they would not be regular farmers, but chaps who had not made a success of city life. Get them back to the land; they are misfits in the cities. At least they could grow their vegetables and fruit, could keep cows and chickens or whatever would be necessary to maintain a family. The minister said these men would have to have money; I do not think that is so. Those farms could be sold, to purchasers bonded for a period of twenty years. Payments could be made small, thereby enabling the average man to make a success of his venture.

I am absolutely opposed to any assistance being given to immigration. Rather than assist a policy of immigration I should like to see a system such as I have suggested. Help the chaps who are now here. Get taxes down, and make Canada a country in which people will want to live. When people in other countries see Canada is worth while they will come, without assistance. In the meantime help the people at home.

Mr. RALSTON: I wish to bring to the attention of the minister a situation which has arisen in my own constituency and to which I have already directed the attention of the deputy minister who has been kind enough to give me all the information at his disposal. I refer to the action of the United States immigration authorities in refusing Nova Scotia fishermen and yachtsmen admittance to the United States to undertake seasonal employment in that country. The minister may not know that these men, because of the serious condition in the fishing industry in Nova Scotia, go to the New England ports and sail from them either on trawlers or schooners to the fishing banks. Some of them ship as members of the crew or as skippers on yachts from the city of New York and elsewhere. All this is seasonal employment, and many of them have gone back and forth in this way for years. This year, for the first time, they have been refused admission to the United States, with the result that many are deprived of their means of livelihood. I understand fully that this is a matter within the control of the United States immigration authorities. The deputy minister was good enough, however, to ask me to submit to him any names I may have, and I am getting them for him.

I wished to bring the matter to the attention of the minister however, and it is for that reason I am now taking the time of the committee with the idea of finding out from him if there is any possibility of making arrangements in cases such as I have described. I have in mind an arrangement which I have seen described in the newspapers whereby Canadians and citizens of the United States cross the border between the cites of Windsor and Detroit to attend their daily vocations, each in the country of the other. That arrangement must be the result of some convention. I was wondering if there was any possibility, or if the minister knew of any method whereby effective representations could be made so that these citizens of Canada might work at their usual avocations in the United States during seasonal periods.

Mr. GORDON: I am very glad the hon. member has brought up the question. It is under consideration by the department, attention having been directed to it by other hon. members as well. I will do my utmost

to see that the same sort of arrangement is made with respect to the people to whom the hon. member refers as has been made at Detroit and Windsor.

Mr. GARLAND (Bow River): I should like to say just a word with regard to some of the suggestions which have been made to the minister this afternoon in regard to land colonization. I have listened with great interest and some amusement to some of the proposals which have been made. It is possible that if the speakers had taken time to go into details they might have answered the objections I am going to take, so it would be unfair on my part to denounce their proposals as absurd, although frankly I am tempted to do so.

For the first time in this house I am in the happy position, with regard to this question, of agreeing with the minister. I congratulate him on having taken the ground that to attempt to place men on the farms to-day under a burden of debt would render the possibility of their success almost negligable. I agree heartily with him. I wonder how many of the members who have been speaking of paving stones and cabbages realize that you can walk out on a farm to-day but you cannot pluck cabbages, nor can you pick up eggs under every piece of shrubbery. Indeed you cannot domesticate the wild fowl that are still to be found in some parts of our provinces. You cannot catch a buffalo and milk it. These things all cost a good deal of money. To start farming under the scheme suggested by the hon. member from northern Ontario or the hon. member from Manitoba would imply at least a plough, a drill, harness, horses, seed, a wagon, at least a cow, a stable, a house and some fencing. I am leaving out of the picture at the moment the chickens which are almost a necessity. Surely chickens would be needed at the start, unless my hon. friend from Manitoba has the idea that the would-be farmers could go out and rob the nests of the wild ducks. They could do that for a time in the spring, breaking the law by doing so, but that source of supply would be rapidly exhausted.

I do think members should take into more serious consideration the financial aspect of farming to-day. It is no longer possible, as it was in the days of my hon. friend from Bonaventure (Mr. Marcil), to go out on a farm and use the old hand-made implements, weave your own clothes and make nearly everything you require at home. Those days have passed with regard to modern scientific agriculture. So far as the unemployed are concerned, I doubt if the average person who is out of work to-day is temperamentally fitted for farming, even if he is fitted by education. Some of these people may have drifted in from the farms, but they have lost contact and they do not like the life. If they had liked it they would have tried to stay with it, as many of us have done. The fact is that it is very difficult to take the average unemployed man and turn him into a farmer. Certainly it cannot be done inexpensively, and the proposal seems to be that the state should be saddled with the financial burden of turning unemployed men into farmers. Before they could even begin to pluck a cabbage they would have several months of seeding and other work. Frankly I regard the proposals as ill made and ill thought out, and I think the minister will be on absolutely safe ground if he takes an exceedingly conservative attitude towards these suggestions.

Mr. NEILL: I should like the minister to give me a little information with regard to general immigration. I should like to have the figures for the last twelve month period of which he has record, giving the total immigration into Canada, as well as the number of those coming from the continent of Europe and elsewhere and those coming from the British Isles.

Mr. GORDON: The total immigration for the eleven months of the fiscal year ending February 28, 1931, was 85,810, and the total for the eleven months ending February 29, 1932, was 24,314. In the first mentioned period British immigration amounted to 26,951, and in the last mentioned period to 6,818. Immigration from the United States in the first mentioned period amounted to 22,877, and in the last mentioned period to 13,394.

Mr. NEILL: I wish to make a few remarks on that subject. I have not taken any of the time of the committee during this debate hitherto, and I would not have taken any time this afternoon had I not become a little fed up with the reiterated statements that have come across the floor of the house, not only from back benchers but from cabinet ministers as well, to the effect that a great deal of the economic distress and unemployment in this country to-day is due to the immigration policies pursued by the late Liberal government. I think if there is any subject at all on which hon. gentlemen opposite who sat in this house during the last three parliaments should keep quiet, it is this subject of immigration. Talk about people in glass houses not throwing stones; hon. gentlemen opposite would need

to have a house of brass to maintain the attitude they have taken, knowing as they must know what has been the attitude of their party in the past.

I am not here to defend the Liberal party with regard to the number of immigrants they brought into the country. I thought they brought in too many, but I said so in 1923 and did not wait until 1932. I did not blow hot in 1923 and cold in 1932. It is well known to all of us who have been here since 1921 how bitter and unanimous were the reproaches of the Conservative opposition of that day against the Liberal government because more immigrants were not brought in. A vigorous policy of immigration was talked of on every platform and from almost every seat on this side of the house. There is only one section of this house that has any reason to say "I told you so" or which can come out of this mess with clean hands, that is the section occupied by the groups in this corner. While I am not directly a member of those groups, except as a member of the little group which sits at this desk, we are affiliated in as much as we are often united by the bonds of common interest and common ideals in political matters. I hear an hon. member say that we are united also by the bond of common sense, and there is also something in that statement.

As I say, they—and I also—repeatedly opposed the government of the day in the efforts they made to bring in so many people. Our stand was consistent then and is consistent to-day. I will leave the other groups to speak for themselves, but briefly and sketchily I want to clear my skirts of any suggestion that I was in any way a party to having a great number of immigrants brought in. I go back now to the year 1923, that is nine years ago,—and I could go back further if I wanted to. I find that I spoke then on March 15 on this subject, pointing out that in my opinion the two main sources of the demand for this excessive immigration were the transportation companies, who sought to make money by the transportation, and the large corporations of employers, who sought to bring in large numbers of labourers so that they might have a bank of idle men from which to draw as occasion required. I also made the point that I thought that was an expensive bank to have, that it was not a profitable thing, that we had to pay for that idle labour in many ways. I said:

> We pay for it in the mental and physical deterioration of the workers, for one thing. We pay for it as well in the cost of the doles, amounting up to millions. In the old country those unemployment doles amount to many millions every month. They are forced to do it over there or there would be a revolution. We will be forced to do it in Canada, and we pay in that way as well as in the other ways I have indicated.

[Mr. Neill.]

That was almost prophetic considering that it was said nine years ago. I also commented on the deteriorating effect of unemployment, citing my own experience in that regard. I pointed out that we brought in these men at the danger of increasing the discontent of the unemployed in Canada. Does not that sound true to-day? I said that for these reasons and many others, we should not be allowed to make ourselves the vehicle, not to say the tool, of piling up a large surplus of idle labour for the corporations. I also referred to the fact that the policy of the Minister of Immigration of the day seemed to be, as regards the prairies, to bring in a lot more farmers, in the belief that this would make the farmers in the prairies prosperous. I pointed out that this was putting the cart before the horse, because the better way was to make farming prosperous, and farmers, hearing from their friends who had succeeded, would then come in. Later on, in 1928, on March 5, I brought up the subject again. I said I did not expect to get any sympathy or support from either of the two major parties because my ideas did not agree with those of either of them, and I noted the fact that we were dealing at the moment with the proposed assisted system of immigration. I said I thought it was the Ultima Thule of audacity to ask unemployed men in this country to pay taxes in order to bring in others to compete with them, and I wondered whether the manufacturers would be willing to do the same as to manufacturers. Working men in this country were being asked to pay taxes to bring in other workers to compete with them in the often congested labour market, and I asked whether that was the idea of protection we had heard so much about. I also pointed out the evils of this assisted system. Men were being brought out to farm on the prairies and were afterwards discovered in the slums of Toronto. Further, I referred to an investigation that had taken place in the United States which demonstrated that after all available free land had been exhausted the bringing-in of more immigrants did not increase our population but only replaced our children and our children's children by the sons of people now living in Bulgaria or Roumania or some other country in Europe.

I come now to May, 1929, when the immigration vote was again under discussion and the assisted system of immigration was being considered. The then member for Pontiac, Mr. Cahill, moved that the vote should be

cut down to one dollar, and this was supported by the present member for Bellechasse (Mr. Boulanger) and the present member for Quebec South (Mr. Power), both Liberals. It was supported very largely and strongly by members of the Progressive group now to my left. The hon. member for Acadia (Mr. Gardiner) and the hon. member for Battle River (Mr. Spencer) were particularly outspoken, and I see that the former gentleman warned the minister that he had better be careful before introducing similar votes in the house or he would be liable to sustain defeat. On that occasion I said that I was in accord with the remarks of hon. gentlemen opposite—referring to the member for Acadia and the member for Battle River—and added that while we did not want to embarrass the minister by refusing to vote money which he had already committed himself to spend, I should like him to reply to the request made by the hon. member for Acadia, that he would pledge himself to consider seriously before bringing in at another session any more votes of that kind. I asked him to give an undertaking that he would consult the house and pay a good deal of attention to the sentiments that were then expressed. The debate on that occasion covered several pages of Hansard, but not a single protest was made by the party to my right. Their attitude was at all times the complaint that the government did not bring in enough people. It was the Progressives, the farmers, the Labour members and the Independents that protested.

We come now to the present situation. Very shortly after the present government were returned to power, it was largely heralded in the newspapers—I think in August or very shortly after that—that they had passed an order in council prohibiting or very much restricting immigration. I was very much pleased to see this intimation, but the orders in council were not printed in the papers; all that was published was the general idea, and certainly the impression that the ordinary individual, even the ordinary member of parliament, would gather from those reports was that the restriction of immigration had been almost wholly complete. But that proved to be very far from being the case. As a matter of fact, the government only restricted to a degree those from the continent of Europe, and practically no restrictions at all were placed on those from the British Isles. On June 26, 1931, the Minister of Immigration said:

> Immigration from Great Britain has not stopped and has not been restricted.

I ask the house to take note of that.

> Any Britisher who wants to come to Canada . . . is as welcome as anyone else. I hope the time will never come when there is any restriction against people coming to this country from Great Britain.

And even last night the hon. gentleman emphasized the same thing again. That is only twice, but he has said it on several occasions in between. He said:

> So far as I am concerned, . . . I want to say to the committee that there will be no shutting of the door to British immigration.

So that it is quite clear what his attitude is. With all due deference and speaking as a man born in the British Isles and with all the sympathy with the British people which that suggests, for my relations are there, and my people's graves are there, so that I sympathize with them in whatever troubles they are called upon to bear, I submit, nevertheless, that in view of present conditions, we are not entitled to let immigration in at the figures mentioned a few minutes ago, even from the British Isles. Two years ago, possibly only eighteen months ago, what did New Zealand do? If there is a dominion within the empire which is more exclusively British in its point of view and in its racial origin than any other, that place is New Zealand. The reasons I need not discuss; it is so. You will find very few Americans or people who have come from the continent of Europe settled in New Zealand. The people of New Zealand are almost exclusively English and Scotch, with an admixture of Irish. You can see that in the place names: Christchurch, Wellington, Nelson, Oxford and so forth; and in the province where the Scotch settled Scotch names predominate. Now what did these people do, with all their inherited association with the British Isles, with all their intense loyalty to their racial origin? What did they do in their legislature, without protest? Either legislation or an order in council was passed stating that because of the present conditions of unemployment they were sorry but they would not be able to permit any immigrants to come from the British Isles. A vote of regret was passed and forwarded to the British government, but they felt that their paramount duty was to those to whom they owed that duty, that is the people of New Zealand, and that immigration should be prohibited for the time being.

That is the attitude we should adopt. The minister has indicated that the immigration for a period of eleven months amounted to 24,000, which would be about 26,000 or 27,000 for the year. Take 27,000 people and plant them down in Ottawa or any other city, say to them "What are you going to do?" or "What are we going to do with you," and what will happen? I admit that the order in

council contains restrictions to the effect that no man shall be admitted unless he has sufficient funds to maintain himself until he can obtain employment, but who in these days can say how much money will be sufficient for that purpose? There was a time when $5 would have kept a man until he could obtain employment; there was a time when $20 would have been sufficient, or at the most $100, but who to-day would be willing to pledge his word, or, more important, his pocketbook to guarantee that a certain amount would be sufficient to keep a man until he obtained a job? These immigrants are carpenters, blacksmiths, mechanics and farmers, and who can say what would be a reasonable amount for them to have? Would $2,000 be sufficient? It might be three years before a man could obtain a position, and he and his family would have to exist in the meantime. Twenty-seven thousand times the requisite figure—these people do not bring that amount with them—would be required. Under present conditions it is absolutely impossible to say whether it will take six weeks, six months or two years before a man can find employment. In the meantime these people are a burden on the community or are taking work away from those who are here and who surely have the first claim. The Prime Minister (Mr. Bennett) has said that we are passing through a desperate crisis, a crisis such as Canada and the world has never known before, and yet these people are permitted to enter. The government is spending millions in order to keep the unemployed from revolt. There are 30,000 idle men in Vancouver and it needs only one man with brains to act as a leader to bring about trouble. These are the conditions under which we inject 27,000 more emigrants.

Mr. GORDON: I do not think the hon. member would make an incorrect statement by design, and I interrupt at this time in order that there may be no misapprehension. The figures disclose that of the 27,000—averaging the figures for the twelve months—21,000 are wives and children coming out to relatives. At the present time when an application is made for the admission of a relative, the officials visit the man who wants to bring out his relatives and inquire as to his ability to care for them. I have insisted that before permission is granted it must be abundantly apparent that the man is able to receive his relatives and continue to take care of them.

Mr. NEILL: Would the term "relatives" include only wives and children, or does it include other relations?

[Mr. Neill.]

Mr. GORDON: Wives and children and a few brothers and sisters.

Mr. NEILL: And cousins?

Mr. GORDON: There are a few other relatives.

Mr. NEILL: I am reminded of the maid who, caught in the kitchen with a policeman, always explains the situation by saying it was her cousin. Why have these people suddenly left their relations in the old country to come out here? Even if the figure is smaller than I have stated, and after all I took the minister's own figure, even though it is only 6,000, that is 6,000 too many. It is folly's crown of follies, to bring out more people at the present time, and the government should restrict all immigration until a brighter day dawns.

We are unable to find out just what means the government intends to adopt to remedy the present situation. We have to go to the columns of the newspapers for information. When we inquire on the floor of the house we are snubbed and told that we will receive the information at the government's pleasure. The newspapers state that the government is going to give only direct relief, no work and is looking into the question of unemployment insurance, but when we ask a question in the house we receive no satisfaction or information. We are left to glean our information from the columns of the press in some distant part of the dominion.

Under present conditions I repeat that for the moment we should regretfully reject the entry of any brothers, sisters or cousins from Great Britain, allowing only wives and minor children.

Mr. REID: Mr. Chairman, I am not particularly interested at this time in the immigration of Anglo Saxon or European people, but I am concerned with the immigration of Asiatics into British Columbia. The minister will remember that last year I brought up the subject and stated I believed that over 40 per cent of the Japanese in British Columbia had entered illegally. The minister told me that he had no knowledge or information concerning that fact. Since that time my statement has been corroborated, because the Royal Canadian Mounted Police have been carrying on investigations, I assume, in collaboration with the minister.

Mr. GORDON: They were under way at that time.

Mr. REID: I am glad to hear that, although the information came to me after I had spoken in the house. The following are extracts from newspaper articles dealing with these investigations:

Yoshi, who had been an Immigration department interpreter for sixteen years before his arrest last July, was convicted mainly on the strength of silent witnesses, a mass of documents put in as exhibits during the two-day trial by Hon. R. L. Maitland, K.C., acting for the Dominion government.

The plot, evidence showed, was almost detection-proof. Faked naturalization papers were forwarded to Yoshi's fellow-racketeers in Yokohama, Jinno, Mochizuki and Maruyama.

This trio rustled up "business" among Japanese seeking entry to Canada, saw that they got passports, provided them with spurious naturalization certificates, coached them as to what they should say when they met immigration authorities at Vancouver.

Then the "tip" was cabled to Yoshi, according to the evidence of the documents. As interpreter for the department he met the boats, translated questions into Japanese for the immigration inspectors, translated the newcomers' answers into English.

It was not necessary, the crown claimed, for Yoshi to interpret incorrectly, for the immigrants had already been prepared as to what to tell the inspectors.

Now comes the serious part:

Further testimony showed that the "racket" was so highly organized that a regular scale of prices had been set. In correspondence the aliens were referred to as "pieces of cargo," and the approximate price for one "piece" was $150.

I have four questions to ask in connection with this matter. First, how many cases were investigated? Second, how many deportations took place as a result of the investigation? Third, is the investigation still proceeding? Fourth, what steps are being taken to prevent a repetition of this kind of business?

Mr. GORDON: I have not the figures as to the number of people who were deported following the investigation. I may say for the information of the hon. member that very shortly after I took over the administration of the department, in making a general review as to how things were going, I concluded there was something wrong in Vancouver. The officers of the department had had the port under observation, and the investigation referred to was then in progress—not by any means an easy investigation to carry to success. I trust the reference to Mr. Maitland as being a member of the British Columbia legislature is not to his disadvantage.

Mr. REID: Not at all.

Mr. GORDON: I found him to be a very eminent counsel.

Mr. REID: I am pleased he conducted the investigation.

Mr. GORDON: As a result of the investigation, Yoshi, who had acted as interpreter for fifteen years, is now in the penitentiary. Investigations are going on constantly. I have enlisted the help of the Royal Canadian Mounted Police, and we hope to minimize illegal entries. I may say the Japanese are not by any means the only race who enter this and other countries in defiance of immigration laws. With respect to the observations made by the member for Comox-Alberni, I need only repeat that I cannot agree with him that where a man has been legally admitted and is found to be doing well we should prevent his wife and children joining him.

Mr. NEILL: No, I do not ask that.

Mr. GORDON: That is the policy at the present time with respect to the immigration to which reference has been made. We are certainly investigating each case to ensure that unemployment or destitution will not occur by reason of a man's wife and family being allowed to join him.

Mr. NEILL: I do not wish to tell the minister his own business, but I happened to make an investigation with regard to the Japanese, and I understood that twenty have already been deported in consequence of the investigations made by the department, that further cases are being investigated and possibly fifty or sixty Japanese who came in by this particular form of "racketting," as the member for New Westminster said, through the collusion of this particular Japanese crook, will be deported. It emphasizes what I have said in the past. I believe the department is now going to adopt the principle that I advocated some years ago. I said at that time it was a mistake to have exclusively Japanese interpreters. I always held it was possible to get white men who could speak the oriental languages. I understand the department are now taking steps to this end, which will shut off that avenue of fraud in the future.

Mr. REID: I am glad the member for Comox-Alberni has mentioned the matter, because I think it is advisable that a Canadian immigration inspector who can speak the Japanese language should be chosen for the position of interpreter. In view of the fact that the bars are up against Europeans and who might very well become good citizens, has the minister considered the advisability of something being done to prevent the entry of Asiatics? Their standard of living is lower than ours, British Columbia appears almost a paradise to them, and their entry is bound to be detrimental to our people.

Mr. GORDON: The only Asiatics who are permitted to enter Canada at the present time are the wives, and children under eighteen years of age, of Canadian citizens presently residing in Canada, who have been legally admitted to Canada, and who on investigation are found to be ready and willing and able to receive and care for their relatives.

Mr. NEILL: What about the gentleman's agreement with reference to the Japanese?

Mr. GORDON: I had not that in mind when making the statement. I think every member is acquainted with the agreement entered into with Japan, which contemplates the entry of 150 Japanese each year.

Mr. NEILL: I have not the agreement before me, but I am familiar with it as I had a great deal to do with its being brought about. By that gentleman's agreement it was arranged that hereafter—it was not so before—Japanese immigrants would be subject to the immigration laws of Canada, except only that they could bring in seventy-five adults of a certain restricted class and seventy-five women and children each year. It is quite possible that that agreement was framed to carry out a well-known oriental expression, "to save their face". The Japanese said they did not mind so much being excluded if we insisted on it, but they did not want it to be done by force of law as though they were an inferior people. But it was distinctly understood, and so expressed if I am not mistaken, that they would take no exception to any restrictions on the immigration of their people, providing those restrictions were common to the world at large. They said: You can restrict us altogether, if you restrict white people too. So if the government in August, 1930, had said: "This order in council will also apply to the oriental people," the Japanese could not have made any objection, because they would have been treated in the same way as white people. I think the government has been remiss in not applying that principle, for now we have this very unsatisfactory condition— certain white men from continental Europe cannot come in, but they see 150 Japanese being allowed to enter every year by means of this agreement. I think the minister might well consider the application of that general restriction. I am sure the Japanese would not find any fault under the circumstances.

Mr. HOWDEN: The government seems to have reversed their policy. Not so many months ago a young man came out from England of his own volition, paying his own way. He was held up at Halifax and informed that he could not land. He had very well-to-do relatives in the city of Winnipeg. They corresponded with the department, but were unavailing in their efforts to have their brother remain in this country. My assistance was sought, and I telegraphed the department that the young man's relatives were prepared to post $500 and guarantee his support for five years at least. The reply I got from the deputy minister was: Would I take the responsibility of advising that this man be allowed to enter Canada and take the bread out of the mouth of another Canadian? That seems to me to be a decided reversal of policy.

Mr. GORDON: Could the hon. gentleman give me the name?

Mr. HOWDEN: Not offhand. I telegraphed the deputy minister and wrote the minister. Let me cite another case. A young lad was brought to this country by his parents when he was about five years of age. His father eventually became naturalized. When the boy was twenty-six years of age he went to visit relatives in the States, stayed there for about eight months, and then had a mighty hard time trying to get back into Canada. He spoke no language but English. He was not familiar with the language of his parents who had come from central or southern Europe. I am not sure whether he did finally get back here or was sent to the old country because the American authorities held him up as being an alien, and when he was not permitted to reenter Canada it looked as if he would be sent back to Poland or some other European country, where he would have been considerably more of an alien than in this land. I mention these two cases because it seems to me rather strange that they were treated in this manner only two months ago and now we hear that thousands of immigrants are being permitted to enter this country. I certainly would be the last man to keep families separated. I think that wives should certainly be permitted to join their husbands and children their parents, but apart from that I do think that none from outside should be permitted to enter Canada at this time.

My former remarks seemed to cause considerable apprehension in the mind of my hon. friend from Bow River. I was suggesting that this government might well assist the movement which is now going on in Winnipeg, to place unemployed families on the land, not to make farmers of them, but to place them on the land where they could make a living for themselves.

Mr. STEWART (Edmonton): How would they live?

Mr. HOWDEN: They would not necessarily have to go extensively into the business of grain farming. I might say to my hon. friend who has interrupted that one of the difficulties we have had in this country in the past is that too many people have gone on the land for no other purpose than to grow grain. Lots of people with no idea of living in their homes on the land go out into the country in the summer, put in a crop and harvest it with machinery, and then move back into town when winter comes along.

Mr. CAMPBELL: A very small percentage do that.

Mr. HOWDEN: But the fact remains that it does occur and has occurred, and that is probably one of the reasons why there have been failures in grain farming on an extensive scale in western Canada and other places. The problem we are up against now is: what is this country going to do with these unemployed? There is no possible chance that I can see of manufacturing industry being able to absorb the hundreds of thousands of idle people that we have in this country at the present time. Every community throughout Canada is burdened with unemployed men, and those people who have some little resources left are called upon to help feed these hundreds of thousands of people. A very large number of these unemployed have expressed their desire to go back to the land with a little bit of assistance, and get their living from the soil. I would submit to the minister and to the committee that from the earliest days of history human beings have always taken their living from the land. They cannot take it from paved roads or city streets. There is only one place they can take a living from, and that is from the land, and hundreds of people just now are prepared to make the trial. Since the cities and communities of Canada are feeding these unemployed month after month and year after year, it seems to me it would be a saving in the long run if they were given an opportunity to make this trial.

The hon. member who criticized my remarks and those of some others of us said that the proposal was ill made and ill thought out. The Winnipeg city council and the members of the provincial government in Manitoba have decided that it is not ill made and not ill thought out, and they are endeavouring to provide considerable funds to send hundreds of these men to the country where they will probably be able to make a living. There is no suggestion that they be put on quarter-sections and be made fully fledged farmers, or anything of that kind. The idea is that they will be able to sow enough vegetables and raise enough poultry and what not to enable themselves and their families to live. The objection was offered by the hon. member for Bow River that it would cost an unreasonable amount of money to establish these men. I would point out to the minister and to the committee that there are communities in Manitoba where men have gone back to the land without any funds at all and we do not hear any complaints from them to-day. I grant you that they came originally from southern Europe, and that they did not spend very much money on automobiles or picture shows or other modern sources of entertainment and amusement. But the fact is that it can be done, and that people can go back on a productive piece of land and get a living from it.

Mr. CAMPBELL: How can they get the land?

Mr. HOWDEN: That is the problem that presents itself to the several governments. These people will have to be supplied with the land and with a few hundred dollars. There seems to be no prospect of ending this process of feeding hundreds of thousands of people; we cannot kill them off, drown them or shoot them. We have to feed them, and if they are given a chance to feed themselves it is possible that they may make some headway.

Mr. WOODSWORTH: I have been trying for some time to get an opportunity to ask a supplementary question of the minister along the line which has just now been spoken of by the hon. member for St. Boniface. I do not intend to enter upon a discussion of the merits of the scheme, but the fact is, as I said earlier, that the Winnipeg city council and the province of Manitoba have endorsed a certain scheme. The minister told me a little while ago that his department was not prepared to give financial aid to this scheme.

There is another point which I think ought to be cleared up, and it would be of very great help to the committee in Winnipeg if it were cleared up at the present time. Supposing that so many hundreds of these unemployed men were actually placed on the land as a mere relief measure, would this government be prepared to give, say, the one-third of what it would otherwise cost them for relief if these people had remained in the city, and thus assist to that degree in the carrying out of the scheme? I think we ought to have a very definite answer, yes or

no, as it would materially help the Winnipeg committee to know what they can expect from Ottawa.

Mr. GORDON: It is obvious that any such action as that would have to be of general application all over Canada. The province of Saskatchewan are doing this very thing themselves in conjunction with their cities. The province of Quebec has adopted another method of encouraging the return to the farm lands of that province. With respect to the other provinces I am not presently acquainted with what they are doing. I am not yet prepared to agree that this is primarily a responsibility of the dominion. As I said in my observations an hour or so ago, many schemes have been started. I have investigated a lot of them, and I must say that while they were started undoubtedly with the best of intentions, they could not hope to go forward with any degree of success because the people who started them were more enthusiastic about the theory than they were acquainted, in my view, with the actual facts of how to assist people on to the land. It strikes me that to be a successful farmer, and I say this subject to correction by any of those who have spent their lives on the land, you require a good deal of training to know how to make headway on a farm, and of course everyone will agree with me that you also need an abundance of courage. I think it would be a great mistake just to take people who happen to be unemployed and put them on a farm. I think no useful purpose would be served, and one season would not pass before they would forget even to thank us for our efforts. I believe they must have the desire to go on the land and must have some agricultural background. True, an odd one who has not had experience may succeed, but from my talks with men who should know—and I believe, do know—I learn it is most essential that we do not take people who are utterly inexperienced, and put them out on the land. They would suffer great hardships.

Mr. WOODSWORTH: In the judgment of the minister, any relief assistance granted by the Dominion government could not be diverted to help any scheme of that kind?

Mr. GORDON: The subject has been given a great deal of consideration. I do not wish to appear to be one who is not prepared to put forth every effort to help as much as possible. I do not think however that time has yet arrived—and I hope it will not arrive—when in Canada we have to begin a system of state-aided colonization. The other phase of the matter has a good deal of merit, namely to capitalize what we know we might have to pay to a certain person for purposes of direct relief, and help to establish him on a farm. If the provinces cannot discharge their legislative responsibilities, and find themselves hopelessly insolvent—I hope none of them do, and I believe they are not in that position—then they may make out a case whereby the federal government would be justified in adopting throughout Canada a plan such as that suggested by the hon. member.

Mr. WOODSWORTH: As I said earlier, I am sorry to be so insistent. The committee in Winnipeg knows perfectly well that if the scheme is to go through this year it must be proceeded with within the next few days. We have had warm weather in Winnipeg, and they are urging the government to give the necessary yes or no with regard to their proposition for the present season. I ask the minister just to say yes or no; with whatever he says I shall be quite satisfied. I should like however to have a direct answer which would enable the committee in Winnipeg to know what it may expect from the government.

Mr. KENNEDY (Winnipeg South Centre): Representing one of the Winnipeg constituencies, I was deeply interested in the remarks of the hon. member for St. Boniface (Mr. Howden) and I heartily support the principle put forward by him. In the matter of unemployment Winnipeg has a burden upon its shoulders which is daily becoming more unbearable. In that city the idea of assisting to relieve the unemployed by putting them on the land has received a good deal of consideration. As I understand it there is no suggestion indiscriminately to place upon the land people without any agricultural background. In the city of Winnipeg, however, as in many other centres throughout Canada, there are people who in more prosperous days, for one reason or another, picked up their belongings and moved from the rural to the urban centres. What caused them to do so is not of importance, but the fact is that many unemployed in the city of Winnipeg—and I know it—are experienced agriculturists and, having found that the bright lights of the city are not as wonderful as they had thought, are now hungry to go back to the land.

I do not think the present is the time to debate whether or not the duty is primarily that of the federal government, the provincial government or the administration in the city of Winnipeg. We are faced with certain given facts, and we know that since the special session of 1930 the federal government has

seen fit to cooperate not only in principle but with funds to relieve the unemployment situation through public works undertakings and payments of direct relief. If the federal government has funds to assist in the erection of buildings in the city of Winnipeg, if it can expend federal moneys for food, clothing and fuel to effect direct relief, then there is no technical reason why funds could not be provided to place unemployed men on the land, if it is deemed expedient so to do.

I urge upon the serious consideration of the minister the facts brought out so forcibly by the hon. member for St. Boniface, and the suggestion that the government seriously consider endeavouring to work out a plan along the line suggested by the hon. member. It is my understanding that before prorogation there will be introduced such further legislation as may be necessary to deal with unemployment. It is not for me to say, nor do I know what the nature of that legislation will be. However the public press carries information, or what purports to be information, to the effect that the relief granted will be confined to what is known as direct relief. In my opinion it would be deplorable if relief were confined to direct relief.

Some hon. MEMBERS: Hear, hear.

Mr. KENNEDY (Winnipeg): I hope such will not be the case, but that whatever legislation is introduced in the house will be sufficiently wide that the measure of aid to be granted will not be confined to direct relief. In that connection it is my hope that in working out the relief scheme this matter of placing those who are well qualified and anxious and hungry to go on the land will be fitted into the program. The hon. member for Mackenzie (Mr. Campbell) asked: Where would they get the farms? That situation has been canvassed. I know that in the province of Manitoba there are many abandoned farms. There is no suggestion of putting people out into the wilderness or the bush; abandoned farms are available. Many of them are available because of abandonment which took place as a result of the soldiers' settlement scheme. Farms were bought at a price far beyond their intrinsic value, with the result that there have come back to the municipalities farms which were once well cultivated, and with substantial buildings situated thereon. Titles to them have reverted either to the municipalities, for taxes, or to the crown. They are improved; the buildings are going to ruin, and the land—and it is good land—is growing up with weeds. Certainly there is a tremendous economic waste. The suggestion has been made that under the proposed settlement scheme these lands might be carefully selected and be made available at a mere nominal value. If they were given by the municipality or by the crown to the individuals placed thereon, to my mind that in itself would be a good investment. They would then become productive, which would mean revenue to the municipalities in which they were located. I have very great pleasure in taking advantage of this opportunity to urge strongly upon the minister the advisability of keeping an open mind on that question and endeavouring to work it out.

Mr. YOUNG: Would you have the government equip these farms?

Mr. KENNEDY (Winnipeg): Let me answer that in this way. I would suggest that in working it out there be a committee, and without casting any reflection upon members of either the legislature of Manitoba or this house I would suggest that the members of the committee be not politicians, not members of either assembly, but practical business men and agriculturists who would choose the locations and judge as to the suitability of the individuals desiring to be so placed. With regard to the capital, that could be provided jointly by the governments and the municipalities, as has been done in the matter of direct relief. This could be done instead of merely supplying a man with food and lodging; it would give him a stake and a real chance. Even though there were many failures, with a fair percentage of successes the scheme would be worth while. When you give direct relief the relief is only temporary. It seems to me the other system has more vision to it; you are really giving a man a stake in the country.

Mr. SPEAKMAN: I have listened with a great deal of interest to the suggestion just made, and to many others which have been offered. I had intended to ask a few questions and perhaps make a few comments with regard to land settlement when that item came up, so I shall reserve what I have to say until that time, save this: If a man of fair capacity is placed upon an improved farm, with no capital debt and with a small amount of assistance to start with, I believe it is possible for such a man to make his living. Unquestionably it has been proved to be true in respect of all our assisted colonization attempts, under which we have placed men on farms with fairly heavy capital debts, that from the moment those men were placed they became potential problems, and now they are practically all problems.

With regard to the suggestion just made by the hon. member for Winnipeg South Centre, if unemployed were placed upon abandoned

farms, without capital charge and with a small sum of money to assist them, at once another tremendous problem would be raised. I refer to the attitude of the soldier settlers, the empire settlers and the civilian settlers who have purchased land from or through the board. You would at once raise the important question as to what was to be done with those who are carrying their debts, and who are now fighting in an endeavour to obtain greater relief. They would point to such a movement as a very real reason why they also should have all their debts cancelled and why they should be treated in the same way. I am not discussing that question at the moment, but this is something which certainly must be considered in relation to any scheme for placing men on farms without obligation to themselves.

Mr. SANDERSON: If I understood the figures correctly, a moment ago the minister said that during last year 14,000 men had been placed on farms. I took the minister's statement to refer to single, hired men. Was that correct?

Mr. GORDON: Yes.

Mr. SANDERSON: Could the minister tell me what proportion of those 14,000 men were put on farms in old Ontario?

Mr. GORDON: I could not say, but in the entire province of Ontario—

Mr. SANDERSON: Has the minister the figures by counties?

Mr. GORDON: No, but up to April 2, 1932, there were 4,165 men placed in Ontario.

Mr. STEWART (Edmonton): Were those farm hands?

Mr. GORDON: Yes.

Mr. SANDERSON: Could the minister give me some idea of where they were placed in Ontario? At the moment I am interested only in old Ontario.

Mr. GORDON: I have not that information before me, but I think I can get it and let the hon. member have it by counties.

Mr. SANDERSON: I thank the minister. With regard to farming under present conditions, when the farm industry is perhaps at its lowest ebb in our history, I want to say that in Ontario to-day you could go up and down the county roads, especially in the western part of the province, where there is land equal to any in the world and where the facilities so far as buildings, machinery and so on are concerned are unsurpassed, and in many instances you could find farmers who would be very glad to move off the land if they could get someone to assume the burden of the mortgage. In my judgment to go ahead and attempt any back to the land movement in old Ontario would be futile and a sheer waste of money. There have been more sheriff's sales of farms in the last year in Ontario than in any previous ten-year period in our history, and I am surprised that the minister and the government should attempt to work out any back to the land policy at the present time. The drift is the other way; sheriffs are driving a lot of farmers from their homes in Ontario. I will go further and say that the farmers who are hanging on, hoping that conditions will improve and prices pick up, are remaining on the land because they happened to have some small nest egg laid away for a rainy day, and they are fast approaching the end of those resources. What they will do then I do not know, but I would urge on the minister that he should not enter upon any back to the land scheme. If the government wants any scheme let them work out some policy that will aid those already on the farms so that at least they can make a living.

Mr. POWER: As I understand it there were 14,000 farm hands placed by the department, and in addition there were approximately 30,000 others located on farms.

Mr. GORDON: Men, women and children.

Mr. POWER: I think the figure was somewhere about 6,000 families.

Mr. GORDON: There were 6,352 families.

Mr. POWER: What form did the assistance given by the government take? Just what did the government do by way of placing them on farms?

Mr. GORDON: In the fall of 1930 the Department of Immigration and Colonization got in touch with the colonization departments of the two railways. The idea arose from the desire on the part of the government to revoke what was commonly called the railway agreements with respect to immigration. There was some hesitancy on the part of the railways to agree with the restrictions that were impending and were placed upon immigration, but after several conferences lasting a week or so they were content that these agreements be revoked; and out of that last conference came the idea that rather than see the colonization establishments of the railways and of the department dissolved, we should turn their activities towards an endeavour to

colonize people who were then in Canada, who wanted to go back to the land and who had enough money to enable them to do so. A survey was made, as well as one could be made, of the people with money and agricultural experience then in Canada.

Mr. POWER: Who made that survey?

Mr. GORDON: It was made partly by the railways and partly by ourselves through the various land settlement agencies in Canada, with a view to finding out that class of person who had left the farm, attracted no doubt by the high wages that prevailed in industry in past years, but now finding themselves out of employment, their savings going into rents and other expenses of that sort in the cities. Then an effort was made by the two railways and the department to list available suitable farms throughout Canada, and while that survey was not a complete one by any means, yet we assembled that information. The railways and the department interviewed the person desiring to go back to the farm, finding out what kind of farm he wanted.

Mr. POWER: What facilities has the department to carry on that work?

Mr. GORDON: It is and has been for several years organized from coast to coast under the land settlement branch.

Mr. POWER: In eastern Canada also?

Mr. GORDON: Yes.

Mr. POWER: The Soldier Settlement Boards?

Mr. GORDON: Yes. These people were placed on the land as I have indicated. Whether we have done them an injury by assisting them to get back to the land is a matter of opinion, but certainly I am not prepared to agree with that suggestion at all, because I have had too many expressions of satisfaction from those people who have gone on the farms and who are mighty happy to be there, in spite of what the hon. member for South Perth has said. In the province of Ontario 611 families have been placed on farms.

Mr. SANDERSON: Where were they placed?

Mr. GORDON: I have not that information at the moment but I will give it to the hon. gentleman before the estimates are through. That was the policy we pursued. The railways and the department used the existing organizations to bring the prospective farmer into touch with the farms that were available, and we very carefully went into the question of purchase to see that he did not suffer by reason of making an improvident bargain. So far as that could be avoided, we tried to safeguard him. I went over many of them myself and the officers throughout Canada carefully canvassed the situation, because there are still people who can drive a pretty hard bargain when selling farm lands. I wanted to avoid as far as possible a repetition of what happened in some cases in the earlier days of the Soldier Settlement Board. If the department and the railway companies are, as suggested, totally wrong in this effort, then of course we shall have to suffer for our delinquency; but no one can convince me that we are wrong, because I am persuaded that these people are immeasurably better off where they are now. While a large percentage of them cannot make a considerable amount of money just now, nevertheless they will stay on the land.

Mr. POWER: There are a large number of people in the city of Quebec who would be only too glad to go on the land, and I should like the minister to indicate the procedure they would have to follow if they wanted to do so.

Mr. GORDON: I am assuming that they are people with some money.

Mr. POWER: No one in my county has any money left now.

Mr. GORDON: I should say that in the city of Quebec they could avail themselves of the assistance granted by the province.

Mr. POWER: So that it is provincial, so far as Quebec is concerned. That is what I am coming to.

Mr. GORDON: That is scarcely fair.

Mr. POWER: If the minister refers to the provincial government my request for information for some of my constituents who would like to go on farms, why has he been talking so much about the 44,000 he placed on farms?

Mr. GORDON: I trust we shall not get into acrimony by reason of misunderstandings. The people I am talking about are people who have some money.

Mr. POWER: And who could have gone without any assistance from this government at all.

Mr. GORDON: Not necessarily.

Mr. POWER: What did the government do for them, then? The minister talks glibly of having made a survey through his land settle-

ment agencies. How many land settlement agencies has he in Quebec? There is one in Sherbrooke.

Mr. GORDON: I think that is the only one.

Mr. POWER: So that a survey of the whole province of Quebec was made from one land settlement agency in which there are probably half a dozen employees. Surely the minister should be able to give better information than that. I do not know, there may be several employees; but there are several million people in the province of Quebec.

Mr. GORDON: For the information of the hon. gentleman I may say that we placed in the province of Quebec more than we did in Ontario, for we placed, in conjunction with the railways, 761 families.

Mr. POWER: Has the minister any idea where they were placed?

Mr. GORDON: I can get that information.

Mr. POWER: I should be glad to have it. Am I to understand from the minister that it was his land settlement organization that did this?

Mr. GORDON: And the railways.

Mr. POWER: Let us, if possible, endeavour to segregate the railways from the land settlement organization. If my information is correct,—I have not checked it—I do not think that the land settlement office in Sherbrooke can have a personnel of more than five or six. The minister has said to the house, and very proudly, that the land settlement board has an organization all over Canada, that it was able to list the lands that were for sale, and was able to make a survey of the people in the cities; and, mind you, in the province of Quebec he takes one of the smaller cities as headquarters. I tell him it must have been an impossible task to organize the back to the land movement in that province through the organization he has in Sherbrooke. It is altogether outside the realm of common sense to think that a few people in the city of Sherbrooke, a small office staff, could make anything like a survey of people in Montreal who are looking for employment. It is impossible for an office staff a hundred miles away, a staff of people who in all probability know nothing about the citizens of Montreal and nothing about agricultural conditions in the province of Quebec, except in so far as they may be acquainted with conditions in the district surrounding Sherbrooke, to make a survey of the people with money in the city of Montreal who would like to go on the land. What do they know about farms in the county of Kamouraska or in the county of Témiscouata? Would they have the faintest idea of how many vacant farms could be purchased in the county of Rimouski on which people could obtain a living, provided there was not too much of a capital debt before they started? If they are not doing the work properly, why do we talk so much about it? I am rather under the impression that in so far as my province is concerned, the work was done by the railways, and if the minister is frank I think he will admit that that is the case.

Mr. GORDON: I will look into it further and if that is true, I shall have no hesitation in saying so.

Mr. POWER: I appreciate that reply of the minister after the speeches he has made and after the newspapers of this country have been putting him up as the great colonizer, the new father of his country. He has stated he is placing people on the land, but when I ask him how he does it, he says he will look into the matter. If he has not the information surely he should be courteous enough to say, "My deputy has that information, I will ask him and then give the information to the committee." I have no doubt the same situation exists in Ontario. Could the minister inform the committee how many land settlement boards there are in Ontario?

Mr. GORDON: I have not that information but I can easily obtain it.

Mr. POWER: Does not the minister think that in order to get his estimates through he should obtain this information? We all want to get home but I do not think he should take advantage of that fact to come before the committee without knowing anything about his department. It is a matter of common courtesy and public policy that a man paid to be a minister should know what he is administering. I have no desire to be offensive to the minister, but I think he should have the information desired by the committee. I can remember years ago hon. members then sitting on this side of the house waxing very indignant at the then Minister of Immigration. The hon. member for West Edmonton (Mr. Stewart) one of the most genial of men, was blocked for four or five days in the passing of his simple estimates because it was his first year as minister and he dared to make the statement that he would get certain papers and have them available for the evening.

Mr. VENIOT: He was told he was mentally unfit.

Mr. POWER: No, it was another minister who was told he was mentally unfit. There is nothing attracting more attention throughout the country than this problem of land settlement. It is easy enough to talk of land settlement, but there are many practical difficulties to be overcome before a large number of people can be settled on the land. I should like to see them settled, but before that can be brought about we must have a better organization than the present sketchy system. Placing one single family on the land and putting it in a position to obtain a living is a considerable job. If the minister does not know how that is going to be done, then I suggest to him that he get busy and learn. The cases referred to by the minister may have had some capital, but considerable study must be made of marketing, transportation and other questions and that cannot be done with a staff consisting of four or five people. Again I suggest to the minister that he should be able to give the committee the fullest information on this subject.

Mr. HOWDEN: Mr. Chairman, I come from Manitoba and notwithstanding the deprecatory attitude adopted by many hon. members in connection with this movement, I am keenly interested in it. At the present time the city of Winnipeg in cooperation with the province of Manitoba is placing several dozen families, not on farms necessarily, but on parcels of land where they can make their own living. I am fairly certain that an appeal has been made to this government to give some assistance to this movement, and I should like to have an undertaking from the minister that at least he will give this matter serious consideration. A short time ago the hon. member for South Perth (Mr. Sanderson) stated that farmers in Ontario were being forced off their farms. That may be very pitiful, but they at least had a roof over their heads and they have had a living for the last eighteen months or two years when hundreds of thousands of other Canadians have had to get along without. An effort is being made by the city of Winnipeg and the province of Manitoba to place these people beyond the realm of charity, at least for the time being, and, as I said before, I appeal to the minister to undertake to give serious consideration to this matter.

Mr. GORDON: That matter is under consideration, and I am sure that the government will be sympathetically inclined to any effort being made to assist the people of Manitoba or of any other province.

Mr. McKENZIE (Assiniboia): We seem to be in the position of not knowing what to do. Some hon. members are recommending one thing while others recommend another. I should like to know if a survey has been made of the provinces in order to find out how many farms would be available. Could the minister advise how many farms at suitable prices have been found to be available for this scheme, say in Ontario?

Mr. GORDON: If the committee was considering the proper vote I would have more accurate information available.

Mr. POWER: Is any money being voted this year for this particular purpose?

Mr. GORDON: The soldier settlement vote would cover this matter; we are dealing now with civil government.

The CHAIRMAN (Mr. Fraser, Cariboo): Votes numbers 55, 56, 57 and 58 cover the matter which we have been discussing all afternoon.

Mr. VENIOT: Last evening the minister said he would be perfectly willing to discuss this matter under this vote, and knowing that, he should have had the information available this afternoon.

Mr. BROWN: I think the committee has a distinct grievance against the minister in this respect. This matter was discussed to a considerable extent last evening and I am surprised that the minister did not bring down the information which he has promised to bring down this evening. It has been stated that 50,000 have been placed on the land, but I am inclined to think that when we receive accurate information it will be found that that number has dwindled considerably.

Mr. STEWART (Edmonton): Mr. Chairman, I have listened with a good deal of interest this afternoon to the discussion which has taken place, and I have been thinking of how quickly people forget. This country has a very elaborate land settlement scheme—I do not know the exact figures, as I intended to get them from the minister when the particular item was under discussion—which up to date has probably cost $60,000,000.

An hon. MEMBER: More than that.

Mr. STEWART (Edmonton): Perhaps more than that has been paid for this experiment in land settlement. Seventy odd per cent of those placed on the land have been sons of farmers raised on the land. It has been said that too much was paid for the land purchased, but I think the fact is that in 90 per cent of the cases the land was acquired at prevailing prices; in only 10

per cent of the cases could it be said that high prices or some other influence had entered into the transaction. I should like to bolster up the minister a little in his determination not to be let into another scheme of this kind, but I agree with hon. members on this side when they say that he would be well advised not to do too much blowing about having placed people back on the land.

Mr. MOTHERWELL: A bit of hot air.

Mr. STEWART (Edmonton): No, I won't say that. I would give the minister a little advice in this connection. The soldier land settlement scheme, to put it mildly, has been a colossal failure. From the moment I took control of the department for a short time I felt it would be so. May I say to my hon. friends from the cities of Winnipeg, Sherbrooke and Quebec that if they want to organize any return to the land movement they had better have a board of practical farmers rather than doctors and lawyers.

Some hon. MEMBERS: Hear, hear.

Mr. STEWART (Edmonton): Let men who have had some experience on the land, and have paid for their experience, advise those who want to try farming. You cannot keep men on the land to-day who have invested their life savings on their farms; even although they have spent all their lives on the land, through no fault of their own they are being forced off, as my hon. friend from South Perth said this afternoon. It is all very well to talk loudly about schemes for taking people out of the cities and putting them on the land, but you cannot keep them there. I think the minister is well advised to take the matter into his consideration, and I hope he will consider it for a long time before embarking on a similar scheme. You would never think of spending money to put a man in a law office or to make a doctor of him unless he had somebody behind him financially.

Mr. POWER: Any fool can be a lawyer.

Mr. STEWART (Edmonton): Perhaps he can; the difficulty is some people seem to think that any fool can be a farmer. If you give a man with some practical experience an acre of land, perhaps he is better off there than wandering homeless in a city. But at the moment any large scheme of land settlement will have just the same chance of success as the soldier settlement scheme had, and it will cost the country just as much money. If you go into such a scheme with your eyes open, with no hope of any return on your investment, I am satisfied; but otherwise for heaven's sake don't embark on it. Why do we advocate this method of settling on the land people who find themselves in difficulties? I would deprecate anything like the dole, but unfortunately conditions are such in this country to-day that people cannot be allowed to starve, and perhaps the cheapest way is to grant them direct relief. By the way, I may say that until the government changes its policy perhaps that will have to be done. But the minister is being bombarded this afternoon with requests to go into another land settlement scheme, and I warn him that if he does so he will have just the same results as we had from the soldier land settlement scheme. The minister's idea of advising people who are willing to invest their money in farms is all right, but from my experience in connection with the department I say to the minister that it would be just as well not to open up any discussion about land settlement schemes, because they invariably lead to requests for assistance from all quarters. If we are to give such assistance, let us give it without any hope of ever receiving our money back.

Mr. HEENAN: Did I understand the minister to say last evening that the Ontario government was responsible for bringing out 500 boys from the old country?

Mr. GORDON: The Ontario government, I presume, were prompted by the various churches to submit the proposal to admit up to 500 boys. The first request was for the admission of 800. I thought that was too many. I took the matter up with the Ontario government, they in turn, I assume, took it up with the various church organizations concerned, and the number was reduced to a maximum of 500. From the latest information I have received I do not think more than 250 will come forward. They are coming from the United Church, the Y.M.C.A., the Catholic Immigration Association, the Salvation Army, the National Children's Home, Fagan's Home and Quarriers.

Mr. HEENAN: Are the church organizations and the Ontario government guaranteeing any set wage?

Mr. GORDON: Those organizations take full responsibility for placing the boys on farms. We are also placing Canadian boys on farms; that work is always being carried on by the department.

Mr. HEENAN: Have the church organizations, the Ontario government or this government guaranteed any set wage or security of employment?

Mr. GORDON: They guarantee to train the boys and find them employment on farms. I have never heard of their guaranteeing any set wage.

Mr. POWER: If a man in my constituency with $5,000 capital wanted to go on a farm, and I referred him to the minister, what would the minister do?

Mr. GORDON: I would have him on a farm in no time.

Mr. POWER: How?

Mr. GORDON: I would turn him over to the director of soldier settlement and he would show him half a dozen farms, and make a deal for him if he does not know how to do so himself.

Mr. POWER: Would you give him any direct assistance in cash?

Mr. GORDON: No.

Mr. POWER: In any other way?

Mr. GORDON: Only advice by trained officers of the department.

Mr. POWER: So really you would give the man advice who has money and wants to go on a farm?

Mr. GORDON: Yes.

Mr. POWER: The department gives him advice, and that is about all?

Mr. GORDON: Yes.

Mr. POWER: So the 44,000 who were planted on farms were planted there through the advice of the hon. minister and his department?

Mr. GORDON: Not altogether; through the advice of the department and the two railways.

Mr. POWER: So that sums up the return to the land work done by the department?

Mr. GORDON: Yes.

Mr. POWER: No money was expended, saving perhaps the travelling expenses of some of your advisory officers. That is about all that has been done. I would not talk so much about it if I were you.

Mr. HEENAN: Are the boys induced to come to this country by advertisement, or by the churches direct, or how?

Mr. GORDON: The societies in England submit the names of the proposed migrants to the department, then we investigate through our agents in the old country as to the desirability of the boys coming here.

Mr. HEENAN: I sympathize with the minister because I have been fighting this battle for a number of years both in and outside the cabinet. It is a wonder to me that the churches of Canada and the government of Ontario are not more interested in Canadian boys. I had a similar case to contend with when an organization was trying to bring boys over from the old country to work in the banks of Canada. When I took issue with them these gentlemen answered that the English boys were better bred and better brought up than the Canadian boys, and they knew how to meet the public in a more respectful manner. I took the view, and I take it yet, that we have as well bred and as well brought up boys in Canada as there are in any country of the world, and if the minister listens to gentlemen of this sort who are going to different countries of the world seeking well-mannered boys and well-mannered men to bring to Canada on the ground that we have not well brought up and well-mannered boys in this country, he will have this country flooded with that kind of people. At that time I had to get the Minister of Immigration to make a ruling that these boys came under the order in council prohibiting the bringing in of contract labour, and I feel that these boys who are being brought out now to work on farms come under that same order in council. If they are only coming here to go on a farm to work, surely they should be regarded as labour; and the minister ought to put his foot down on that immediately, because the province of Ontario is not the only province that is interested in this matter. The province of Ontario cannot give the minister any assurance to-day that these boys will not be in Calgary next week, or in Winnipeg or Vancouver a month from now, and so I say that the province of Ontario through the churches, whether Catholic or Protestant, or other organizations acting as colonization or immigration agencies, should not be allowed to bring people into Canada from any other country in the world. I am saying this in all kindness to the minister because I know what he is up against. I know that when I was Minister of Labour I was continually up against the Immigration department, but as the minister is now two in one, Minister of Labour and Minister of Immigration, he will only have himself to fight. I do not know how these two ministers will get along together, the Minister of Labour and the Minister of Immigration, but they could not get along any worse than I as Minister of Labour got along with the Minister of Immigration and the deputy minister. The minister is

laughing, because, as I remember, he sat back one time and asked, "Is this an Irish fight?" I say again, Mr. Speaker, that the minister ought to consider this question very seriously. If I were Minister of Immigration to-day let me tell you that no province, Ontario or any other, could induce me to allow boys or men to come into this country to take the place that rightly belongs to Canadians. The minister should look into that matter because there are so many societies with philanthropic ideas, always wanting to do something for somebody else in any other part of the world except Canadians. When these people told me that they were bringing boys over here because they were better bred and better brought up and could meet the public more respectfully than our Canadian boys, I told them to go and mind their own business and I would look after the Immigration department.

Mr. SANDERSON: How many deportations were there from Canada last year?

Mr. GORDON: Deportations for the calendar year ended December 31, 1931, were 6,582.

Mr. SANDERSON: And what was the immigration for the same calendar year?

Mr. GORDON: It was 27,530.

Mr. McINTOSH: How were they distributed by provinces?

Mr. GORDON: We have no figures as to the distribution of migrants amongst the provinces.

Mr. LUCHKOVICH: The other evening the hon. member for North Waterloo brought up the question of deportations, and in the course of his remarks referred to people who were deported from Canada by reason of having become a public charge. I have been circularized by several people in Alberta, amongst others by Mr. Joseph A. Clarke, former mayor and also a councillor of the city of Edmonton, protesting against this policy. In a letter to the Nor-East Adviser under the heading, "Should a Hungry Man be Deported," he says:

> To now tolerate two subaltern municipal employees to boldly announce a right-about-face policy, without public discussion or any authority, or even knowledge, of the only body entitled to speak for us, viz.,—the city council, is un-Canadian.

In other words, Mr. Clarke says that there is a movement on the part of two officials of the city relief department to have men deported for no other reason than that, because of being unemployed, they have become a charge upon the city. He also says that there is a movement on foot, largely initiated by these two men, to add to the criminal code the crime of being hungry. I would ask the minister whether the Department of Immigration has deported men from the province of Alberta solely because of their having become a charge upon some municipality.

Mr. GORDON: Each case is investigated on its merits. I recollect no case where deportation has been ordered of a person simply because he was without funds.

Mr. SANDERSON: As far as I am concerned, Mr. Chairman, I am perfectly willing that this item carry on the understanding that the minister give me the information that I asked for.

Mr. GORDON: Oh, quite.

Item agreed to.

Immigration salaries and contingencies, including grants to immigration societies, provinces, etc., as may be authorized by the governor general in council, $1,360,000.

Mr. LUCAS: I should like to have some particulars regarding the "grants to immigration societies, provinces, etc."

Mr. GORDON: The vote has been carried through in its present form for some years. Properly, it should be changed, because this year there are no grants to societies and provinces. The vote is misdescribed.

Mr. BROWN: Is the minister prepared to give any further consideration to the complaint of Mr. A. M. Graham?

Mr. GORDON: I hope that matter is a closed book, so far as the department is concerned; so far as I am concerned, it is. I do not purpose to spend more time on it.

Item agreed to.

Empire settlement scheme, including grants to immigration societies, women's hostels, etc., as may be authorized by the governor general in council, $60,000.

Mr. GORDON: I am asking the Minister of Finance to move an amendment.

Mr. RHODES: Mr. Chairman, I move:

That item 56 be reduced by the amount of $45,000.

Mr. STEWART (Edmonton): Why the reduction?

Mr. POWER: Is this a vote of want of confidence?

Mr. GORDON: This vote has been carried from year to year, and with the exception of about $20,000 has never been used. The balance of it is to take care of certain commitments under agreements made a few years ago with the British government with respect to supplementing advances made by them under their boy settlement scheme. We have never had to use the money, and I do not expect we will need it this year

Amendment agreed to.

Item as amended agreed to.

Amount required for soldier land settlement advances, for advances under the British family schemes recoverable from the British government, for the cost of administration of soldier settlement and general land settlement, and for the cost of administration of soldier settlement staff performing investigations for the war veterans' allowance committee, $1,500,000.

Mr. STEWART (Edmonton): As there is some information I should like to have on this item, and as it is now six o'clock I think the item should stand until the committee resumes.

Mr. SPEAKMAN: Yes; a number of hon. members would like to make some comments in connection with this item.

Item stands.

Progress reported.

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

After Recess

The house resumed at eight o'clock.

PRIVATE BILLS

LAKE OF THE WOODS INTERNATIONAL BRIDGE COMPANY

Hon. PETER HEENAN (Kenora-Rainy River) moved that the house go into committee to consider Bill No. 46, to incorporate the Lake of the Woods International Bridge Company.

Motion agreed to and the house went into committee, Mr. Morand in the chair.

Sections 1 to 17 inclusive agreed to.

On section 18—rights of municipalities saved.

The CHAIRMAN: There has been a change in this section; the new clause appears in the bill as reprinted.

Section agreed to.

Section 19 agreed to.

On section 20—Labour and materials.

Mr. CANTLEY: In my judgment this section does not provide a sufficient guarantee as to the use of Canadian material and labour. Therefore I would move, seconded by the hon. member for West Algoma, that the section be amended by adding the words "At least one-half of all material used or being part of the bridge and the fabrication of same shall be of Canadian origin and workmanship."

Mr. HEENAN: I think that is covered in the reprinted bill.

Mr. SIMPSON: I rather think that is taken care of in the amended section.

The CHAIRMAN: In the reprinted bill section 20 reads:

Canadian materials and labour to the extent of at least fifty per centum must be used in the construction of the said bridge and a certified statement shall be sent weekly to the Department of Labour giving the names and addresses of firms supplying materials and the quantity thereof.

Mr. CANTLEY: I have not seen the reprinted bill, but I do not think the words which were read are as effective as those I have suggested. My amendment is a little stiffer, I think. I want Canadian steel used and I want Canadian workmen employed to the extent of at least fifty per cent.

Mr. HEENAN: That is the intention of the present section, and I quite agree with my hon. friend.

Mr. BROWN: Is there any difference in meaning?

Mr. CANTLEY: My amendment states that all material must be of Canadian origin.

Mr. YOUNG: Will the hon. member tell us how much that will add to the cost of building the bridge?

Mr. CANTLEY: I fancy the sponsor of the bill will accept that suggestion.

Mr. HEENAN: I would accept it but I think it is already covered. It was the intention of the committee that at least fifty per cent of the material should be of Canadian origin. I do not see how we can say that all the material must be of Canadian origin, because this is an international river, and the international line is exactly in the middle of the river bed.

Mr. CANTLEY: My amendment states that one-half the material must be of Cana-

dian origin. It might be suggested that under the section as reprinted, angles, channels and so on rolled in Canadian mills from billets imported from Germany or some other country might be used. If my suggestion is adopted you get over that point. That is why I stress the word "origin" rather than the words "Canadian material."

Mr. HEENAN: I understand my hon. friend's point, and so far as I am concerned I accept the amendment.

Mr. YOUNG: Does my hon. friend mean that this steel will have to be made from ore mined in Canada?

Mr. CANTLEY: In all international bridges of this type you can depend upon it that our American friends see to it that at least one-half of the material is of American origin, American workmanship and American fabrication.

Mr. YOUNG: That does not answer the question.

Mr. CANTLEY: I think we should be equally careful in regard to our end of the bridge; that is my point; I am not interested in what the bridge costs.

Mr. YOUNG: Does my hon. friend's amendment mean that the steel used in that bridge would have to be made from ore mined in Canada?

Mr. CANTLEY: No, because a large proportion of the steel made in Canada is unfortunately not made from Canadian ore; but it is of Canadian origin in so far as the ore is smelted in Canada, and the steel is made here. The fabricated material is rolled in Canada from steel produced in Canada; it may be from home ores or from foreign ores, or it may be partially one and partially the other. At any rate, it is of Canadian origin when it comes out of the furnaces here.

Mr. GARDINER: If the amendment is carried, as now proposed, it will mean that so far as the Canadian section is concerned the bridge will never be built.

Mr. HEENAN: I understand that my hon. friend's idea is to protect Canadian industry and Canadian labour. I know he has no desire to block the building of the bridge—

Mr. CANTLEY: Certainly not.

Mr. HEENAN: —but I may say for his information that, so far as labour and materials are concerned, I know that the materials will be supplied by a firm in Winnipeg, which is the nearest point. As to whether all the materials, such as ores and so forth, will originate in Canada, I am not prepared to say, but I can assure the hon. gentleman that we are anxious to protect Canadian industry and labour as far as possible. I am just as much interested in this as my hon. friend, and I should be glad if he would allow the amendment as drafted by the committee to go through.

Mr. VALLANCE: In the interests of the mover of the bill I might point out to the hon. member for Pictou that it would be possible to bring in foreign ore and billets and make one hundred per cent channels, T's and so forth, which would be fifty per cent of the workmanship embodied in the bridge. You could bring in all the ore and billets and roll the material for the bridge, so that your company would get it all.

The CHAIRMAN: Shall the section carry?

Mr. YOUNG: Is that with or without the amendment?

The CHAIRMAN: As printed, and as amended in the committee.

Section agreed to.

Bill reported, read the third time and passed.

RAILWAY ACT AMENDMENT

On the order:

House in committee on Bill No. 29, to amend the Railway Act (preamble not proven).—Mr. Nicholson.

Mr. T. E. SIMPSON (West Algoma): On behalf of the hon. member for East Algoma (Mr. Nicholson) I move that the order be discharged, the preamble not having been proven.

Motion agreed to.

RAILWAY ACT AMENDMENT

RAILWAY COMMISSION AND RATE STRUCTURE —SPECIAL COMMODITY RATES

The house resumed from Friday, April 15, consideration of the motion of Mr. Reid for the second reading of Bill No. 44, to amend the Railway Act.

Mr. A. E. MUNN (Vancouver North): This is an equalizing freight bill intended to give to the west what we think is due them —the same classification as has been made on the eastern lines through to Fort William. The trouble is that those who fix the rates do not always use good judgment. For instance, they always penalize a commodity that will stand the maximum rate. I have been shipping all my life and have had a

good deal of experience in this regard, and I know that the railroads are sure to get the maximum out of any commodity that can stand it. This necessitates a battle for the rights of the shipper. Take, for example, a carload of silk from Vancouver to New York as against a carload of coal; there is a vast difference in the freight, because they charge whatever the commodity will stand. We argue that one commodity rate should apply to all coarse grains, and we are opposed to the discrimination between the export and domestic rates. We contend that the domestic rate should be brought more into line with the export. The farmers of the prairies no doubt have a low grade grain that could be shipped to the coast for poultry or stock feed if they were given a satisfactory rate, but of course it would have to be lower than the present rate. This would not only furnish a market for the low grade grain which the farmer on the prairie has; it would also help the consumer in British Columbia. The climatic conditions are particularly favourable there for stock and poultry raising and, while things are quiet at the moment, an enormous business has been done there. But there could have been a good deal more if lower rates had been in effect on all rough commodity freights. There is a regular lumber commodity rate and also a lower rate for slabwood, poles, ties and cordwood. It costs as much to ship a carload of lumber as it does to ship a carload of cordwood or slabs. Why should not a little common sense be used and these rates reduced on coarse grain as well as on wood products? The railroads are looking for business and I think they would find it by adopting these rates. It would help not only themselves but business generally. Vancouver is a port open twelve months in the year, and it is possible that there would be considerable business in poultry exporting if it was possible to obtain feed from the prairies at a satisfactory price. The equalization of the export and domestic rates on grain would help not only the farmers on the prairies, but the people of British Columbia and throughout Canada as a whole.

Mr. H. J. BARBER (Fraser Valley): Mr. Speaker, I have just a few words to say in connection with this bill. We have not the bill before us, but from what has been said by the hon. member who introduced this measure we have been able to obtain a fair idea of its provisions. The hon. member who has just spoken (Mr. Munn) dealt more with commodity rates, but so far as I can understand, it is not intended that this bill shall deal with such rates.

The very important and complicated question of freight rates has been before parliament for some time and has been the subject of discussion throughout the country. I am sorry to say that at times this matter has been injected into the political arena in an effort to make some political gain. It is not my intention to go at length into the history of freight rates. This matter came before parliament over thirty years ago and some hon. members may recall the system then in use for the adjusting of freight rate schedules. Prior to 1903 the railways simply filed their tariffs with the Department of Railways and the railway committee of the privy council either approved or disapproved of such schedules. This system proved to be very unsatisfactory as many of the provinces complained they were being discriminated against and had no voice in the fixing of rates. In 1903 parliament, under the leadership of the late Sir Wilfrid Laurier, appointed what is known as the Board of Railway Commissioners, designed to function as a court of record and established in the same way as the supreme and exchequer courts. It was to have complete control and authority over all questions relating to the operation of railways, including the charges to be made for the handling of traffic. As I have indicated, it was to function as a judicial body to hear all interested parties, and its decisions were to depend, first, on the evidence submitted, and, second, on a proper appreciation of the evidence in relation to the relief sought. Provision was made for appeals from decisions to the privy council. I think it will be admitted that on the whole this board has proved to be satisfactory. At times there has been criticism, but every section of Canada has been granted the opportunity to appear before the board.

As I understand the present bill, one of its provisions is to add further powers to those already possessed by the railway commission; it is to be given the power to consider matters of trade development and public policy. The objection to this provision is that it would give a political tinge to the railway commission; there would be danger of disturbing its judicial character.

Another provision of the bill is to permit the fixing of rates without a hearing—in other words, to extend the Crowsnest pass agreement west from Fort William to Vancouver. It might be well to recall just what is meant by the Crowsnest pass agreement. This agreement was entered into in 1897 by the Dominion government and the Canadian Pacific Railway Company. Under its terms the railway agreed

to construct a line through what is known as the Crowsnest pass to Nelson, British Columbia, for which it was to receive a subsidy of $11,000 per mile, or a total of $3,400,000. In return the railroad was to give a rate on grain and flour, from points west of Fort William to Fort William and any point east thereof, of three cents per hundred pounds less than the existing rate. In addition certain reductions were made in the rates on named articles or commodities shipped from the east westward. This agreement remained in force until 1918, when, under the War Measures Act, the Board of Railway Commissioners was given temporary power over the agreement. In 1924 it automatically came into force again, after which an appeal was made to the supreme court with the result that the board was directed to restore the rates provided by the agreement. At the same time the supreme court found in favour of the Canadian Pacific Railway Company in its contention that the terms of the agreement applied only to those points which were in existence at the time of the making of the agreement. It is quite apparent that in view of the condition which prevailed as a result of the decision of the supreme court, some action had to be taken; the old agreement had to be either cancelled or extended to take in the other points including the Canadian National.

A large number of people hold the view that since in 1903 we set up a court to deal with this matter, the railway commission, that court, should be given a free hand rather than be hampered by any such legislation. In the session of 1925 the government of the day brought in legislation extending the rate under the agreement to other points, including those reached by the Canadian National Railways. I may be pardoned for expressing the opinion that the action of the government of that day was no doubt based on political expediency; a general election was pending, and by leaving the old Crowsnest pass rate agreement in operation the government thought they would be able to draw support from the prairie provinces.

It is very interesting to read the debate on this matter during the session of 1925. It will be noticed that the Conservative members from British Columbia argued that the agreement should be abrogated, or if the government insisted on putting into force legislation extending the agreement, in all fairness it should be extended as far west as Vancouver. Its supporters on the other hand argued that the government was dealing quite fairly with British Columbia, and pointed out that an order in council had just been passed directing the railway commission to make a general review of freight rates and to provide for their equalization throughout Canada. The government laid special stress on the provision for an appeal to the privy council, where, it was said, justice would surely be meted out. No doubt the order in council was framed with the object of giving the impression that other sections of the dominion would have their grievances adjusted. At this point I desire to quote from the debate. I find that on page 4440 of Hansard of June 18, 1925, the then Prime Minister (Mr. Mackenzie King), the present leader of the opposition, in discussing the matter said:

> I would say to the house and the country that if this government remains in office it will not take the view of the order in council which my right hon. friend takes—

That is, Mr. Meighen.

> —but will regard that order in council as a direction to the railway commission as to how it expects this policy to be worked out, and will see that the policy is worked out in accordance with the terms of the order in council. The order in council sets out the government policy. It is a direction to the railway commission to equalize rates. That direction indicates how this government expects this policy of equalization to be worked out. And I would remind hon. members that there remains, as the commission itself well knows, an appeal from the commission to the governor in council with respect to matters of railway rates. This government has stated what its policy is with respect to the equalization of rates, and unless that policy is carried out in accordance with its intention—if this government is in office when the question comes up—and I have not the least doubt it will be—it will take care to see that the policy is carried out in the spirit and intent of the letter as expressed in the order in council itself.

As I have said, great stress was laid on this appeal to the governor in council. Now, the right hon. gentleman's government was in power for the following five years, with the exception of an interruption of a few months, and although an appeal from the decision of the railway commission was taken to the privy council, up to the time of the election of 1930, no decision had been rendered. Having regard to the pledge given at the time, I think it may well be claimed that the Liberal government of that day did not keep faith with the people of Canada, and particularly with the people of British Columbia, in the matter of freight rate adjustments.

During the course of that debate the Conservative members from British Columbia urged the government to abrogate the agreement or extend it to Vancouver. The member for Comox-Alberni (Mr. Neill) the other evening said he could not understand why this bill did not have the active support of all members from British Columbia. Well,

the hon. member himself sat in this house during the session of 1925. I have gone very carefully through the debate to which I have referred, but I cannot find that he offered any suggestions to the then government, nor did he support the Conservative members from British Columbia who demanded justice for their province with respect to freight rates. Apparently he was a supporter of the government's legislation and a believer in the policy of that government with respect to the matter as outlined in the order in council. That was his opportunity to serve British Columbia by using his influence with a government that was friendly to him, if he believed, as he does to-day, that that particular legislation was in the interest of British Columbia. Now he sees an opportunity to gain a little political kudos out of this matter and is prepared to jump into the boat along with my friend from New Westminster. The people of British Columbia took the promise of the then Prime Minister (Mr. Mackenzie King) very seriously. I remember quite well the striking headlines in the Vancouver press, particularly in the Vancouver Sun. I have no doubt that the hon. member for Comox-Alberni still has a copy of that paper on his file. On the front page were large photos of three of the lions of the Liberal party—the Hon. John Oliver, the Hon. Doctor King, and Mr. Jerry McGeer—with this declaration: These are the three men to whom credit is due for what they secured for British Columbia in the way of freight rates, an opportunity of pleading its cause. The cause was pleaded before a friendly and sympathetic government—but still the differential remains. Time has wrought great changes; one of those gentlemen has passed to the great beyond, one has been translated to another place, and the third, the $150,000 freight rate advocate, is busy looking for another fat job.

As I have already said, I think the opinion is general that such a complicated matter as freight rates and railway tariffs should be left in the hands of a competent and judicial board, such as we have in the railway commission. I should like again to quote from Hansard of the same date, page 4439, where will be found these remarks by the then Prime Minister (Mr. Mackenzie King), the present leader of the opposition:

> I have been looking over some of the speeches which I made in western Canada last fall, and which were quoted, in part I think, by the hon. leader of the Progressive party (Mr. Forke) in his remarks the other evening. I notice in speaking on the prairies I intimated very clearly that my view was that the railway commission was the right body to fix freight rates and should be given a free hand in the matter. When speaking in Vancouver and Victoria I made similar statements.

At that time we had the leader of the opposition arguing that this whole matter should be left in the hands of the railway commission. Then at page 4413 of the same date of Hansard the hon. member for North Waterloo (Mr. Euler) made the following statement:

> Admitting therefore, as I do, and as I think all will, that class legislation is bad, that special agreements for the advantage of any one section of the country are bad, and also that the matter of freight rate making should not be given to parliament, we have then to consider, so far as I see the question, how far we should depart in the public interest from the principle that I laid down, that rate making should not be given to parliament but should remain vested in the Board of Railway Commissioners.

At page 4420 we have this further testimony from this same hon. gentleman:

> The railway board is charged with the duty of making rates fair and equitable to all. We have set up the board to do that work. Why then not let the board perform that duty? They are infinitely better qualified to make these rates than are members of parliament. If parliament has no confidence in the railway board —and that sentiment has been expressed by some hon. members—then the remedy is not to throw the business of rate-making into this house; the remedy is so to constitute your board that you will have confidence in it.

I think that answers very fully the question which the hon. member brought up the other night in introducing this question.

I have mentioned that the Conservatives also took part in that debate. I shall quote only one. The present Minister of Trade and Commerce (Mr. Stevens) at page 4319 of Hansard of June 16, 1925, said:

> I have argued in this house and before my own constituents and the people of my province for certain principles which I think should underlie and govern the making of a freight rate structure. I have argued that the fixation of rates is such a complicated problem that it should not be pitchforked into parliament, but rather that it should be dealt with by a competent board, that board in my estimation being the Board of Railway Commissioners.

As I said before, Mr. Speaker, I think it is the general opinion of all sections of this house and throughout the country that such a complicated matter as freight rates should be left in the hands of an independent judicial tribunal such as the Board of Railway Commissioners. Before this board the railways have the privilege of appearing as well as the people. Any body or individual can appear before the railway board and lay before it

any hardship that may be worked on them through the running of the railways.

I am anxious to support any movement which will bring relief to the farmers of British Columbia and which will help to remove that 21½ cents differential that exists between the domestic and the export rates on grain. I listened very carefully to the hon. gentleman's remarks when he introduced this proposal. I have studied the question very closely, and I have come to the conclusion that the legislation proposed by this bill will not give to the people of our province that which they feel they are justly entitled to. Not only that, but if this bill should become law it would still further tie the hands of the railway board.

There is another objection. There is at the present time an appeal pending before the privy council from the railway commission, and from the remarks of the right hon. the Prime Minister (Mr. Bennett) the other day during the debate on this particular question we can take it that this government has been prepared for the last year or year and a half to hear the appeal without delay, but so far the provinces have not been able to arrange a time suitable to all. As I said before, Mr. Speaker, if I thought that by this legislation or any other method justice would be done to the people of Canada and British Columbia would receive what she is entitled to in the matter of the removal of that differential, I should be only too willing to lend my support.

Mr. FRASER (Cariboo) moved the adjournment of the debate.

Motion agreed to, on division, and debate adjourned.

SUPPLY

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

DEPARTMENT OF RAILWAYS AND CANALS

Canals—Lachine canal, improvements, $20,900.

Mr. VALLANCE: Will the minister explain the item?

Hon. R. J. MANION (Minister of Railways and Canals): This item is for the complete renewal of an old wharf at the lower entrance of north lock No. 1 on the north side of the Lachine canal which has been made necessary by the wear and tear of time.

Item agreed to.

[Mr. Barber.]

Rideau canal, improvements, $17,000.

Mr. MUNN: Is that canal of any practical service to anybody? If so, let us know; if not, why spend the money? Years ago it may have been some use; what about to-day?

Mr. MANION: Yes, the Quebec canals are all useful. A great deal of wheat from the prairie provinces passes through them.

Mr. VALLANCE: But we are talking about the Rideau canal.

Mr. MANION: Oh, I beg the hon. member's pardon. The Rideau canal is not used for business purposes to any great extent. As my hon. friend knows, it was built in the old days for war purposes, or something of that sort. It is kept open, although very little business passes through it. I doubt very much if the people in this section of the country would like to see it closed, and it does not cost much to keep it in operation.

Mr. SPENCER: Is there any revenue derived from it?

Mr. VALLANCE: I suggest it be handed over to the historical monuments branch.

Mr. MANION: We are keeping it in that shape now. The hon. member for Battle River asked if there was any revenue, and in reply I would say that very little revenue is derived from the canal. There is no charge on boats going through, but a small amount comes in from a few small water-power plants.

Mr. HEENAN: I should like to refer to the reduction in wages of the men on these canals. I understood the minister's explanation to be that the reduction was a realignment or readjustment of wages to conform to the prevailing rate of wages in the district. I gathered from the minister's explanation that different grades of craftsmanship had been established. Probably the minister is not prepared to go on with this item just now.

Mr. MANION: Go ahead, but please speak a little louder.

Mr. HEENAN: I understand the minister or his department has established first and second class carpenters, blacksmiths, machinists, chauffeurs, engineers, and so on. I was wondering if he would be willing to conform to a ruling which has prevailed in the Department of Labour for a great many years, namely, that there be only one class of craftsmanship. For instance, a carpenter was a man who used the tools of a carpenter.

Mr. MANION: I was more familiar with this matter a few days ago than I am at the

moment, and I am refreshing my memory. They are not all arranged in the two classes, as my hon. friend has suggested. Some types of workmen are divided into two classes. From a hurried observation I notice that there are first and second class carpenters, blacksmiths and cable splicers. Then on the next page of the information I have before me there may be one or two other types of crafstmen divided into the two classes; out of the twenty-five or thirty different types of workers there may be four divided into first and second classes. The rate of wages, however, was established after consultation with the Department of Labour concerning the prevailing rate of wages.

Mr. HEENAN: Will not the minister reconsider his position concerning the establishment of different grades? There has been a great deal of trouble in connection with the establishment of wage rates. I can recall that while the Hon. Thomas Crothers was Minister of Labour a ruling was made that a man using the tools of a carpenter should be classed and paid as a carpenter. The reason was that there were contractors working for the government who had to pay the prevailing rate of wages for carpenters. In order to get around that clause in their contracts they established different grades of carpenters. Those men were all doing the same work, but there would be only two or three first class carpenters on a job, and the rest would be second or third. If the establishment of different grades prevails a great deal of trouble will be heaped upon the minister and the government. Therefore I ask the minister to reconsider his view. The change to which I have referred was not made without due consideration, and the result was satisfactory both to the government and to the contractors. In connection with government works contractors file tenders which they believe will secure the work. Immediately they begin to seek ways and means of saving money so that their profits may be greater. Naturally they turn to the item of wages, and make an effort to cut them down. The government will not allow them to cut wages, so they then attempt to establish different grades of labour, first and second class carpenters and so on. That is a vicious method of defeating the fair wage clause, and I am sure the minister does not wish to allow contractors to employ cut-throat methods in connection with their tenders, and attempt to reduce the wages of the workingmen by the establishment of these various grades. The laws laid down governing fair wages do not force any contractor to keep any particular man employed; the services of an unsatisfactory workman may be dispensed with. On the other hand if a man is engaged as a carpenter he should be paid carpenter's wages.

After long years of experience it has been found necessary to establish only one grade of carpenters, blacksmiths, machinists and craftsmen of all types. I ask the minister to reconsider his view, and to follow the rules of the Department of Labour, the one prevailing since the days of Hon. Thomas Crothers, to the effect that a man using the tools of a carpenter must be paid the wages of a carpenter.

Mr. MANION: I am afraid I gave my hon. friend the wrong information. Originally there was an intention to make provision for first and second class carpenters. My hon. friend was one who made objection, and further objections were received from men on the Welland ship canal. The matter was discussed with the Department of Labour, and as a result the provision for second class carpenters was struck out. The result is that there are none. May I add that there have been second class carpenters on the Quebec canals since 1920; whether or not they are retained against the rules of the Department of Labour, I do not know.

Mr. VENIOT: I should like to draw the attention of the minister to the work going on in connection with the Rideau canal. I have no objection to that work, but I do object to being tossed out of my bed during the night because of explosions taking place on the work. I do not want that to happen again. If it does I may have to enter a suit for damages against the government. One explosion takes place at night and another at six o'clock in the morning. Surely there should be some thought for comfort and convenience of the people.

Mr. MANION: I do not wish to be unkind to my hon. friend, but in this instance he is in the position in which he so often finds himself in this house. The government is not doing the work; it is being done by the city of Ottawa.

Mr. VENIOT: And yet the government is paying for it.

Mr. MANION: No, it is not. The dynamiting that is going on is not political dynamiting of any kind.

Mr. VENIOT: Perhaps I might enjoy it if it were.

Mr. MANION: The work is being done by the city.

Mr. MITCHELL: I have a clipping here from Labour, which is the official organ of the railroad brotherhoods and other international labour organizations. Under date of March 17 it says:

> Maintenance workers on Canadian canals have been handed two stiff blows by the Department of Railways and Canals.
>
> It has announced a wage cut, running as high as 25 per cent and retroactive to February 16, and a new classification that will cut further into the workers' depleted pay envelopes.

Is it true that the twenty-five per cent cut in wages was made on the date mentioned, February 16?

Mr. MANION: There was a cut which came into effect at about that time. I explained it once before in the house in reply to a question asked by my hon. friend from Kenora-Rainy River. The reason was that there was a reduction in the hours of work just before the last election, while the wages were continued at the same rate per day, which put the men on those canals altogether out of line with the prevailing rate of wages in whatever section was concerned. After consultation with the Department of Labour the prevailing rate was ascertained and these men were merely put on the hourly rate prevailing in the particular section.

Mr. MITCHELL: Would the minister say the basic rate was cut twenty-five per cent?

Mr. MANION: I do not know what my hon. friend means by the basic rate.

Mr. MITCHELL: The hourly rate.

Mr. MANION: Yes, that is right; the hourly rate was cut by 25 per cent, or whatever it was, in order to make the rate the same as the rate paid in those districts by other employers.

Mr. HEENAN: Just to keep the record straight, Mr. Chairman, I may say that though the minister, with his nice smile, says the hours of labour were reduced just before the last election, that was done as part of a permanent policy. It may have been right or wrong, but it was a set policy. The treaty of Versailles, which was signed by Sir Robert Borden on behalf of this country, called for a reduction in the hours of work. In nearly every instance where hours were reduced it will be found that wages or salaries were not interfered with. For instance, when the railway men obtained the McAdoo award reducing their hours from ten to eight the wages were left as they had been previously, and when civil servants in Ottawa were put on the eight-hour day salaries and wages were not reduced. The same action was taken in connection with canal employees. When reductions were made in the hours of work, on canals or any other public works, notwithstanding that it was done just before the election it was the intention that salaries and wages would not be reduced in line with the reduction in working time. At the moment I am not complaining because of what the minister has done, but I do want to say it was the intention of the previous government to leave those salaries as they had been. The whole trend in labour circles throughout the world is that hours should be reduced but that the earning power should not be reduced correspondingly. I just make this statement for the information of the minister; this action was not taken because of the election but was part of the policy adopted by the previous government.

Mr. MANION: I would not for a moment suggest that this was done because of the election; I merely mentioned the date, which happened to be July 16. I am sure it had no connection with the election.

Item agreed to.

Trent canal, improvements, $133,400.

Mr. LUCAS: Would the minister explain this item?

Mr. MANION: This work is being carried on in connection with the Trent canal, which as my hon. friend knows runs from Trenton to the Georgian bay. There are a number of different items; I have a whole list here. The amount is to provide for plant and channel improvements, structural replacements, rebuilding and concreting of old decaying timber dams, aids to navigation, miscellaneous surveys, investigations and so on. Since 1925 no heavy capital expenditures have been made towards the completion of a through Trent waterway from Trenton to Georgian bay. This is for fairly heavy work in different parts of that canal, which extends for 240 miles.

Mr. LUCAS: Could the minister tell us the total amount spent on the canal?

Mr. MANION: Since the canal was first built the capital expenditure has amounted to $19,000,000, and the betterments to $3,600,000, making a grand total of $22,600,000.

Mr. LUCAS: Is there any revenue?

Mr. MANION: Practically none.

Mr. BROWN: What is the extent of the traffic?

Mr. MANION: I think there is a little freight traffic, but it is largely the same type of traffic that is carried on the Rideau canal. There is some tourist traffic, and after all the tourist traffic of the country is one of our big industries. I think there is very little freight, however.

Mr. GARDINER: Is there any fishing up there?

Mr. MANION: I think so.

Mr. MUNN: I am somewhat familiar with the Trent canal; I know that country fairly well, and I think this government should consider very carefully the further expenditure of money on that useless inland waterway. You can sit on the bank for a week and see nothing but an odd gas boat go up and down the canal. I do not think the expenditure of $100,000 in order to provide a canal for a few fellows with gas boats is justified. I lived in Orillia, close to this canal, for several years and I think it is one of the most miserable failures of all our inland waterways.

Mr. MANION: While there is no income from the traffic on the canal there are water powers that must be kept up, and we do get an income nearly equal to the amount of this vote. Last year the income was nearly $98,000, and for each of the two previous years it was about $95,000. This income came from lock houses, water powers, land rent, transmission and telephone lines, boat houses and so on. The water powers provide ninety-five per cent of the income, so that the works must be kept up.

Mr. MUNN: Where are the water powers?

Mr. MANION: I do not know that I can give my hon. friend the exact places, but we are getting the income so I do not suppose the names matter much. With the exception of the vote last year this is the smallest amount to be voted for a number of years. A great deal of money has been spent on this waterway, and my recollection is that for many years in the neighbourhood of $250,000 was voted each year. There has been an agitation up towards Georgian bay to have the canal completely opened to Georgian bay, but that has not been done as yet. There is a good deal of capital expenditure necessary before that is done; it would require $3,000,000 more. But we have no intention at the moment of undertaking that expenditure in view of present financial conditions. The upkeep of the canal is necessary, however, and this expenditure this year, exactly as in past years, is distributed to meet absolute necessities wherever they exist.

Mr. EULER: The minister has said that there is no revenue from the canal. That is the fact. Is there any revenue from any of the canals?

Mr. MANION: No, none except the power revenue.

Mr. EULER: Would the minister care to express an opinion on a matter which has been discussed in this house before and which is of some importance, namely, the question whether there should not be revenues from all our canals? Why should a private business —and it is almost entirely private business— have free use of canals constructed at the expense of the country? Has the minister thought of the advisability of at least making the canals self-sustaining, even if we get no interest on capital investment?

Mr. MANION: Tolls were abolished in 1903 by the Laurier government—

Mr. EULER: That does not make any difference.

Mr. MANION: I am not saying this in order to make any invidious comparison; I am simply stating a fact. Since that time no tolls have been charged on canals in Canada. There are sound arguments that could be advanced in support of the contention that tolls should be charged, but I do not know that it would be advisable at the present time.

Mr. EULER: This is just the time, when you need the money.

Mr. MANION: Yes, but it would be to a large extent a toll upon western wheat, and this commodity is bringing about the lowest price paid in a considerable time. It is true that the Panama canal and the Suez canal charge tolls, and, as I say, there are arguments to support that view. But I do not think I should care to express any definite opinion on the matter at the moment. It is quite open to debate and my hon. friend has good ground for the position he has taken.

Mr. EULER: I personally brought the matter up in the house some years ago and it has been brought up by others, and the only reply I have ever heard to the question why tolls should not be charged is that it has always been done this way. I regard that as a very insufficient answer.

Mr. CARMICHAEL: So far as tolls on the Trent canal are concerned, I fear that the revenue would be so small that you could not see it. There are one or two sand barges that go through the canal in the season, but

the toll would be infinitesimal. What I wish to protest against, though, is not only the large vote expended on what is more or less a luxury—a vote of $133,400—but the fact that the vote has been increased from the previous year by the sum of $17,000. In the previous year the amount authorized was $116,400, and this year, in face of a curtailment of expenditures generally; a cutting down in the salaries of civil servants by ten per cent; a cutting down in sessional indemnities of members and senators by ten per cent; and a cutting down in the wages of railway employees by more than ten per cent—as we have heard to-night, it is twenty-five per cent—we are launching out on what might be described as a luxurious expenditure. The minister made reference to the tourist traffic. I venture the statement that our tourist traffic is not attracted here by the merits of the Trent canal; the tourists come to see something far more attractive than that. So that an expenditure of $17,000 more this year than was spent last year in a matter of this kind looks to me like extravagance run riot.

Mr. MITCHELL: With regard to that twenty-five per cent reduction in wages, which went into effect on February 16, is it the intention of the government to add to that reduction the further ten per cent cut made in salaries and wages of civil servants?

Mr. MANION: It is a matter that we have been discussing, and ordinarily it would have been done without any question whatever. I rather think, frankly, that it will have to be done in fairness to other governmental employees. It is a little unfortunate that the twenty-five per cent reduction was made so close to the ten per cent proposal, but as a matter of fact when the twenty-five per cent reduction went into effect the ten per cent decrease had not been thought of by the government, so far as I know at any rate. It is true that this should have been done when we first came in, but it was called to my attention by my officers about the time it was put into effect and when I found what I considered was not a reasonable rate, after discussing the matter with the officers of my department and with the Labour department, we put into effect the rates that now prevail. As to the ten per cent, we have been giving a good deal of thought to that, because it does seem rather unfair to the men. But they have this to remember, that for a year and a half they received better wages than men in the same kind of employment in other parts of the country; so that while it appears at the present time to be a severe cut, they had enjoyed that advantage for over a year. The cheques went out two days ago with the ten per cent taken off. The question is still under consideration, but at the moment it is altogether likely that the ten per cent will remain off.

Mr. HEAPS: What pay do these men receive now with the ten per cent off?

Mr. HEENAN: Did I understand the minister to say that he was reconsidering his decision in this matter of the ten per cent?

Mr. MANION: No. I said that the matter was still under consideration, not having been absolutely decided, but I was frank enough to say that I thought the ten per cent would have to remain off in justice to other governmental employees. They will be treated on the same basis.

Mr. HEENAN: I can see the minister's point of view, that when a general reduction of ten per cent is being applied all round he should apply it here as well. I can understand why he does not wish to exempt the employees on canals. But I want to point out that the rest of the government employees did not have a twenty-five per cent reduction right on the eve of the ten per cent cut, so that in that regard the canal employees are in a little different position. If the minister will give me his attention—

Mr. MANION: I am listening to the hon. gentleman.

Mr. HEENAN: He takes too much notice of his officers in making these cuts. I say, the rest of the government employees did not suffer a twenty-five per cent cut on the eve of a further ten per cent reduction, so that these particular employees are now going to suffer to the extent of thirty-five per cent. Even if we admit for the moment that perhaps they had been receiving for a time more than the then prevailing rates of wages, a thirty-five per cent cut is a pretty heavy one.

Mr. MANION: May I say here—

Mr. HEENAN: One moment. As I pointed out the other evening to the Minister of Finance, who agreed with me, if the minister reduces his employees another ten per cent then the contractors in that particular district will have the right to ask the Labour department for a further reduction of ten per cent so far as they are concerned, to bring their employees on a level with the canal employees. And so on down the line. There is no end to it when you are going down, although there is always an end when you

are going up. I repeat, I can see the minister's point of view, but I want him to reconsider the matter. I am not going to argue whether it was right or wrong to make that twenty-five per cent reduction in the rates paid the canal men, to bring them into line with the prevailing rates paid in the district; I will not discuss that at the moment; but when you take another ten per cent off these men, you give the contractors in that district the right to say, "Our prevailing rates are higher than the rates paid to government employees and we are entitled to make a further ten per cent reduction." In other words, you are simply inducing those contractors to follow suit. I implore the minister to reconsider this matter in that regard. I think the fairness of my argument will appeal to him.

Mr. MANION: We have been using the term "twenty-five per cent" but my officers remind me that the general cut did not amount to that much. A cut of twenty-five per cent was made where such a deduction was necessary to bring the rates paid to a level with the prevailing rates. In some instances no cut was made at all.

Mr. HEENAN: It does not make any difference what was the extent of the cut, the argument is the same.

Mr. MANION: There is another point to be considered. These men working for the government are assured of steadier employment than those working for private contractors. The men on the canal are practically permanent employees, and my hon. friend knows that it is a great advantage for a man to feel sure of reasonable continuance of employment.

Mr. YOUNG: Do they work all winter?

Mr. MANION: Certain repairs are carried out on the canal during the winter. Some of these men are on part time, and some are dropped. The hon. member for North Winnipeg (Mr. Heaps) asked for the rates of wages. I shall give the rates paid on the Welland canal, which are as follows:

Blacksmith	65 cents per hour
Blacksmith's helper	45 cents per hour
Timberman	60 cents per hour
Carpenter	75 cents per hour
Carpenter's helper	45 cents per hour
Chauffeur	$120 per month
Compressor runner	60 cents per hour
Concrete finisher	50 cents per hour
Concrete foreman	65 cents per hour
Diver	1 25 per hour
Electrician	70 cents per hour

Mr. HEAPS: When were those rates in effect?

Mr. MANION: Those are the rates after the reduction had been made.

Mr. HEAPS: There will be a further ten per cent reduction made on those rates?

Mr. MANION: That is quite right.

Mr. HEAPS: That will bring the rates below the rates prevailing in the district?

Mr. MANION: It may possibly bring them ten per cent below the prevailing rates, but I have just given my argument in defence of that. The men who have been working for private contractors on the Welland canal are practically finished. I have received hundreds of letters from men who have been working for some years for private contractors and who would like to get jobs with the government. I think a protest has been received from only one organization.

Mr. HEAPS: The Minister of Railways ought not to use the argument he is now using, that because many are out of work those who are employed should be satisfied with any rate of wages. I have no doubt there are many people outside of this House of Commons who would be willing to act as members of parliament for considerably less than $3,600 per year, and there are many who would be willing to accept the job of Minister of Railways at a great deal less than the minister is receiving at the present time. The last thing in the world the government should do is to reduce wages because people are out of work. This brings us back to the general ten per cent reduction, but in adopting that policy the government has given a lead to outside employers. The minister has admitted that the wages received by the men on the canal or the employees of his department are probably below the prevailing rates in the district, and there is no doubt that other employers who are paying a higher rate will reduce their men to the rate now paid by the government.

Mr. MANION: The annual pay of these men would be much higher than the annual pay of the men to whom my hon. friend is referring.

Mr. HEAPS: There are many outside employers who provide steady employment. Take the Ontario Hydro Electric Commission, for instance; their men are employed steadily the year round, and probably their rates are higher than those of the federal government. It is quite possible that members of the same

union will be receiving different rates of pay, the one rate ten per cent below the other. I draw this aspect of the matter to the attention of the minister, as I do not think the government took it seriously into consideration when it adopted the general cut.

Mr. MITCHELL: The government took advantage of the depression in order to reduce its own rates by twenty-five per cent, and now it proposes to make a further cut. This will be setting an example to outside employers to reduce again their rates of pay by ten per cent.

Mr. NEILL: When Bill No. 19, which provides for the ten per cent cut, was introduced by the Prime Minister for the Minister of Finance, such a case as this was referred to. The Prime Minister was asked if some men who had recently had their wages cut would receive a further cut of ten per cent, and he answered to the effect that there was a special provision in the bill to take care of such cases. The Prime Minister referred to section 6 of the bill, which reads:

> The treasury board may make regulations,—(b) determining in any case of doubt the amount to be treated as the amount of compensation of any member of the public service of Canada for the purposes of this act.

That subsection was to take care of just such cases as we have been discussing this evening. I suggest to the minister that all he has to do is to take advantage of the procedure provided by that subsection and thus fulfil the assurances given by the Prime Minister.

Mr. MANION: The matter is not absolutely decided, and I shall agree to give it further consideration, although I shall not go any further than that at the moment. I should like to point out that governmental wages compare very favourably with those paid by private companies. While I should not care to give the names of the various companies, I shall give the rates paid for different occupations.

Mr. HEAPS: Are these companies in the same district?

Mr. MANION: Yes. I should not like to give the names of the companies, but if my hon. friend desires I shall let him see the list. The rates for blacksmiths paid by different companies are 38 cents, 48 cents, 45 cents, 75 cents, 75 cents, 50 cents, 60 cents and 60 cents. Our rate is 60 cents, which is as high as or higher than six out of the eight.

Mr. MITCHELL: What is the prevailing rate?

Mr. MANION: I am simply pointing out what might be the prevailing rate. First class carpenters; 45, 54, 70, 75, 60, 55, 60, 60, 65 cents; ours is 60.

Mr. EULER: That is 60 before the ten per cent is taken off, which would make it 54.

Mr. MANION: Yes. Electricians; 48, 53, 51, 60, 70, 90 cents; ours, $145 a month, which is a pretty fair wage. Labourers; 30, 34, 42, 35, 30, 35, 25, 25, 30 cents; ours is 40. With the exception of one there is no other in that whole group in Ontario that pays as high labour wages as we do.

Mr. HEAPS: Don't you think the government ought to be a model employer of labour?

Mr. MANION: Yes, and I think we are.

Mr. HEAPS: Two cuts of twenty-five per cent?

Mr. MANION: That is not fair.

Mr. HEAPS: One of twenty-five and one of ten per cent.

Mr. MANION: Twenty-five was the highest cut, and some took no cut at all. It was simply put at the prevailing rates. Those are the prevailing rates. Generally ours are beyond the highest rates paid by private companies. The ten per cent cut is simply because of the fact that all government employees—including my hon. friend and myself, if we can be termed such—have taken a ten per cent cut. My hon. friend thought that plenty of people would be willing to become members of parliament at $3,600 a year. Well, all they have to do is to get elected—and my hon. friend from Hamilton has had the most recent experience in that line.

Mr. HEAPS: How do the government rates in Ontario compare with the fair wage standard?

Mr. MANION: Our rates have been settled after consultation with the Labour department. That department is noted for giving breaks to the workers, and I have no doubt that it has taken into account any legislation dealing with wages. But I repeat, this matter is still more or less sub judice, and I shall give it further consideration before deciding absolutely.

Mr. HEENAN: The minister's citation of rates was correct. If he will look at the labour situation all over Canada he will see that that condition prevails in every province

Some employers will grind their workmen right down into the mud, into a condition of slavery; but that is no reason why the government should follow suit.

Mr. MANION: We are not doing that.

Mr. HEENAN: I know he would be one of the last men to follow in that line. While the fair wages legislation of 1930 mentions "the prevailing rate of wages," it empowers the Minister of Labour to declare that the prevailing rate shall not be taken as the standard unless it is fair and reasonable. I am not going to argue the matter any further in view of the minister's promise that he will give it further consideration. Unfortunately he was not in the house when the Prime Minister and the Minister of Finance made certain statements in connection with this very same matter. Undoubtedly other employers of labour in that particular section will take advantage of the government's attitude to seek to reduce their labour wages another ten per cent, and therefore I would ask the minister to give the subject very careful consideration.

Item agreed to.

Welland canal, improvements (revote $10,700), $25,900.

Mr. GARDINER: This is the old canal, I presume. What improvements are you making there?

Mr. MANION: Yes, it is. Certain water powers and docks have to be kept up under a contract.

Item agreed to.

Welland ship canal, improvements, $125,000.

Sir EUGENE FISET: What is the reason for providing this item when we have already provided for construction and betterments, $3,123,400?

Mr. MANION: This is for a wharf on the east side of the canal at Welland, $100,000, and the balance of $25,000 is for the completion of a dock at Homer, just outside St. Catharines. We get wharfage fees from these docks.

Mr. VENIOT: I notice the following despatch in the Montreal Daily Star of this date:

Manion asserts shipway urgent. Traffic will be diverted to N.Y. ports says minister.

Toronto, April 22.—Warning that unless the St. Lawrence river were developed, downbound traffic on that waterway might be diverted via the ports of Oswego and Albany, N.Y. through the United States, was given last night by Hon. R. J. Manion, Dominion Minister of Railways and Canals, when he addressed the Toronto Transportation Club.

Is that a forecast of the policy of the government in connection with the deepening of the St. Lawrence waterway? Perhaps the minister is not in a position to answer my question to-night.

Mr. MANION: Oh yes, I remember the speech very well. I think it worth while for the people of Quebec to be reminded there is danger if the St. Lawrence ship channel is not constructed that traffic will be diverted through Oswego and Albany down the Hudson river and out by New York. That is the sum and substance of what I said. I did not discuss the policy at all. I merely pointed out that if the St. Lawrence waterway were not constructed there was that danger, and I quite adhere to that opinion. I think there is that danger which it is well for all of us to keep in mind.

Mr. VENIOT: I quote another paragraph from the minister's address:

Outlining the railway situation in Canada, Dr. Manion told the Transportation Club that in his opinion the Canadian National Railways would never be able to pay its debt to the Canadian government. Occasionally editorial writers, he said, "take the attitude that because facts are told we are doing damage to our railway situation in this country. I do not see what good it does the railways of Canada metaphorically to stick our heads in the sand and not see our troubles."

I agree with the minister that we should view our troubles in the proper way, but I am afraid from the minister's assertion expressing fears of the attitude of the United States that some of that red Canadian blood has gone out of him.

Mr. MANION: Not a bit.

Mr. VENIOT: Not a bit? I take it that the minister was speaking on behalf of the government, as a cabinet minister at all events, not simply giving his own opinion, and apparently he is basing the policy of the government on what looks to be a threat from the United States. If anything is to be done in Canada because of threats coming from the republic to the south of us, I think we ought to know it.

Mr. MANION: I did not mention any threat from the United States. I merely pointed out the possible danger which is recognized by many. I was not telling anybody in the United States anything that he does not already know. Regarding my remarks about the railway, I have nothing to withdraw. They are practically the same remarks that I made in this house. So far as the debt of the railway to the government of

Canada is concerned, I do not think that it ever will be paid. Not a cent of it ever has been paid, and I am sure that not a cent of it ever will be paid.

Mr. VENIOT: I do not think that it ever was intended that one cent should be paid. That is all right, but why should it be heralded all over the country, especially when addressing such an important association as the Transportation Club.

Mr. MANION: My hon. friend has asked me a straight question and I will give him a straight answer. The reason it must be told is this, that the Canadian National Railways were being run too extravagantly and they had to be brought to task accordingly. The reasons there were for bringing them to task must be told the people or we would be accused of crucifying the Canadian National Railways. That is the answer to my hon. friend's question.

Mr. COWAN (Long Lake): Lots of red blood in that.

Item agreed to.

Miscellaneous—Board of Railway Commissioners for Canada: maintenance and operation, $288,780.45.

Mr. ROGERS: What does this amount cover?

Mr. MANION: It covers all the expenses of the Board of Railway Commissioners, the salaries of the staff, travelling expenses and all that sort of thing.

Mr. ROGERS: It looks a very big sum.

Mr. MANION: It is less by $32,000 than last year.

Mr. ROGERS: That may be, but I notice that there is another item for the salaries of the railway commissioners. This seems a very big sum.

Mr. MANION: The salaries for the commissioners are statutory. The item before us covers such things as the salaries of the staff, $219,866.81; official reporting, because most of the evidence is taken down in shorthand, $11,800; official car, $3,000; printing, $6,000; stationery, $4,000; telegraph and telephone, $1,500; travelling expenses for the board and staff, $20,000; contingencies, $22,613.64. It is a big item, but it is less than last year by $32,000. Mr. Justice Fullerton has given me a very fine impression. He is a man who I believe is efficient, able and just, and I believe that he will do a great deal of good to the whole board.

[Mr. Manion.]

Mr. CAYLEY: Just what progress has been made with regard to the Toronto Suburban Railway?

Mr. MANION: None. The interest has not been paid. We have received recently from some shareholders in England who hold some of the 4½ per cent debentures a claim sent by their legal representatives, but nothing further has been done. The property has been turned over to the bondholders and they are at liberty to do as they wish with it. The service was discontinued and the road abandoned so far as the Canadian National Railway is concerned.

Mr. CAYLEY: That would mean that the Canadian National Railway from now on has no further interest in the road and admits no further responsibility as to the payment of interest and principal to the bondholders?

Mr. MANION: That is the attitude they take, yes.

Mr. CAYLEY: Then it is finally closed up so far as the government's interest in the road is concerned.

Mr. MANION: The government never had any interest in it. The road was a subsidiary of the Canadian National, but it was never guaranteed by the government or by the Canadian National. The government had no direct interest in it at all. The government has finished with it unless these people who are making claims can show that they have legal rights to claim something that they have not obtained.

Mr. CAYLEY: It is a mystery to me how the Canadian National assumed the ownership of the road without assuming responsibility to the bondholders.

Mr. MANION: They simply took over the railway and paid the interest on the bonds, but the bonds were never guaranteed by the government or by the railway in any shape or form. The Canadian National operated the road.

Mr. NEILL: On a lease?

Mr. MANION: They operated the road through ownership of the common stock, and they paid interest on the bonds. For some years they have been paying the interest at a loss. They are not only losing the interest they paid which had not been earned, but they had to pay for repairs and so forth.

Mr. CAYLEY: Did the road ever earn interest?

Mr. MANION: I know that it did not of recent years, and my deputy informs me that it never did. After that state of affairs had continued for some years, when the Canadian National got into financial difficulties this year they saw no reason why they should continue to pay interest that was not being earned, and in addition, my recollection is that to continue to operate the road they would have had to spend on it $300,000 in capital expenditures. So they simply decided that they had no further obligation to pay the interest on the debentures. After all, the debenture holders of this road are in no worse shape than the debenture holders of many other private companies all over the world, and the only reason these people are making any claim at all, so far as I can see—I am speaking subject to any information that I have not at the moment—is that it is nominally a government institution. But the government never guaranteed it, and the Canadian National never guaranteed it. The Canadian National were simply operating the road. That is the only link there is with the government. Of course, it is possible that after further consideration it may be admitted that they have some claim, but so far I have seen no reason for admitting any.

Mr. CAYLEY: If the road never earned the interest, and the government have paid it out of the revenue of the country, one would feel that the government did recognize the responsibility.

Mr. MANION: The government did not pay the interest; the Canadian National Railways paid it. It may have been indirectly paid by the government, but—

Mr. CAYLEY: The Canadian National Railways did not earn it, so it was paid out of the revenues of the country.

Mr. MANION: That is correct.

Mr. CAYLEY: Was there an offer made by the city of Toronto at one time to buy this road?

Mr. MANION: That claim is made by the owners of the debentures, but I cannot answer my hon. friend's question: They claim there was, but that is something about which I know nothing.

Mr. CAYLEY: I understand they offered at one time to pay $3,000,000 for this road. Do the officers of the department recollect any offer of that kind?

Mr. MANION: My deputy says he does not, and it was before my time. I do know that the owners of the debentures claim that an offer was made by the city of Toronto, but that the sale was not made.

Mr. GARDINER: How did this road become a subsidiary of the Canadian National Railways?

Mr. MANION: It was a subsidiary of the old Canadian Northern, and I believe it was taken over by order in council on the recommendation of the Canadian National Railways' management made to the government of the day. I am sorry I cannot give the year, but I know it was some years ago. It was a Mackenzie and Mann subsidiary of the Canadian Northern Railway. The Canadian National Railways took it over and operated it for some years at a loss, but during those years paid the interest to the debenture holders.

Mr. GARDINER: Did the old Canadian Northern pay the interest, too?

Mr. MANION: I presume it did, but I cannot say definitely.

Mr. CAYLEY: I have a clipping before me, but I am not just certain from what paper it has been taken. It is as follows:

> I would like to ask if the Canadian National recognizes any moral obligations. The Canadian National Electric has the very strongest moral claim. Toronto, in January, 1922, by a majority of over 2,500 voted to buy this electric road for $3,000,000 (the mortgage being $2,628,000), which would have given the bondholders par for their bonds and later Toronto bought a portion of the railway in the Toronto limits for $118,317 on which I believe the mortgage was not discharged.

Further on in the same article I find the following:

> And why did the government by act of parliament passed on June 6, 1919, incorporate this road as part of the Canadian National system, and in that act state that any deficit would be paid out of the consolidated funds of Canada? If Canada is willing to take umbrage under a legal technicality and not recognize any moral claim it will complete the mistrust Great Britain has in Canada's financial integrity and make Canadians hang their heads in shame.

It would seem a good offer was made at a time when the road was paying its way, and for some reason or other that offer was turned down.

Mr. MANION: Of course that is the history of many businesses. I do not suppose there is a business in the world to-day that cannot look back to a time only a few years ago when it could have sold out for a big price,

and they are sorry they did not do so. As to "Canadians hanging their heads in shame," may I say that such suggestion is a habit followed from time to time by people who have held bonds of some Canadian road. We all know the story of the Grand Trunk junior shareholders. The matter was put before a board of arbitration with the consent of the management of the old Grand Trunk, and the board of arbitration decided against them. However, that agitation still goes on in England. It would seem that widows and orphans in Canada must also get consideration. After all there are two sides to all questions, and there may be some justice in the present case. If there is further legal proceeding or further consideration by the government, any claims will be given attention. I would have no desire whatever to sidetrack any moral claim. According to the statement put to me by the railway, however, there is no moral claim. The four and a half per cent debenture holders of the Toronto Suburban had a mortgage on the Toronto Suburban Railway. Therefore when the Canadian National Railways refused to pay the interest the debenture holders had a right to foreclose their mortgage. And if they wished to operate the road they could do so, or sell it out, or do anything else they liked. As a matter of fact even when the interest was being paid I am informed the debentures of recent years did not sell much above fifty. Surely the people buying the debentures were not sure that the government was paying the four and a half per cent, or a government bond of four and half per cent would have brought more than fifty.

Mr. SANDERSON: What was the total issue?

Mr. MANION: About $2,600,000.

Mr. CAYLEY: There seems to be some difference of opinion as to the moral obligation, and I can quite readily see that there would be. I have before me a letter on the stationery of the Financial Post, and among other things it says:

> The Toronto Suburban Railway first mortgage four and a half per cent debenture stock due July 15, 1961, generally referred to now as the Canadian National Electric railway bond issue and which I presume you prefer to, is quite a conservative investment.
>
> The issue is secured by a first lien on over fifty-six miles of road between Toronto and Guelph, power houses, land, buildings, franchises and other immovable property, as well as a first floating charge on the remainder of the company's assets.

They call it quite a conservative investment. I should have preferred the expression, "quite a safe investment".

[Mr. Manion.]

Mr. MANION: So would I.

Mr. GARDINER: What date was that?

Mr. CAYLEY: May 27, 1931. Here is a communication from the Toronto Saturday Night dated January 10, 1923. It is as follows:

> We consider the Toronto Suburban Railway four and a half per cent debenture stock an attractive purchase. There is a first mortgage on the property and while the railway is owned by the Canadian National Railways one can be sure that it will be looked after by the Dominion government, if earnings are not enough to take care of it.

There was the view that the Canadian government or the Canadian National Railways would look after it. The minister knows as well as anybody that sometimes the public do not understand what they are buying. The certificates that were issued are very misleading. Quoting from another newspaper article I find the following:

> The Toronto Suburban Railway passed into the hands of the Canadian National Electric Railway a number of years ago, and the certificates read—"The Canadian National Electric Railway." The bank amalgamations used a very similar form, and in each case assumed the absorbed banks' liabilities. These certificates bear the signature of H. W. Thornton and three or four other officials of the Canadian National Railways. The transferring has always been done by the Canadian National Railways and the interest cheques came from the Canadian National.

That is the point I wish to bring out. It seems as though everything was done to induce the public to feel that they were secured, and even those who were in a position to know felt to a certain extent that the certificates were good if the government had taken them over. I know we cannot protect the public against buying, and yet when they see certificates signed by men they know, they think everything is all right.

Mr. MANION: There are others in the same position.

Mr. CAYLEY: I am very sorry this has occurred. Now I should like to ask the minister a final question. I see a long list of other bonds in a similar position, that are not guaranteed. I suppose they will ultimately fall in the same category?

Mr. MANION: Not necessarily; some of them are in a much different position. Some are on portions of the road that could not possibly be let fall, no matter how much you might wish to do so. For example, you might have bonds on a central portion of the old Grand Trunk line running from Toronto to Montreal, a part of the line that could not be

given up. The Toronto Suburban, however, happened to be hanging out on a limb, so to speak, and I suppose the National railways felt they could let the owners take it over. If the mortgage is on an integral part of the line the Canadian National cannot take that position.

I do not wish to be misunderstood, and I do not wish to be unfair to the people who had the interest coming to them. I greatly sympathize with them. I do not wish to be hard-hearted; I understand how people may be misinformed, sometimes quite unintentionally and at other times intentionally. Of course no government is responsible. My hon. friend read something with reference to 1923, when this government was not in power. Even the late government, however, was not responsible for the opinion of a newspaper financial critic. As I say, I have every sympathy for those people, and if later on it is shown that they have rights that have been misconstrued or misinterpreted or violated by the Canadian National Railways certainly I should be the last to say they should not be given justice. That is the best I can say. I sympathize very much indeed, but at the moment I also sympathize with the people of Canada who have paid the interest on these bonds for a number of years, when that interest was not earned. I do not know, without some further reason being shown, why the interest should continue to be paid when it is not earned.

Mr. EULER: I had not intended to take part in this debate and I do not desire to prolong it, but I cannot quite agree with my hon. friend the minister with regard to the moral obligations and the liability of the owners of the road, who after all are the people of Canada through the Canadian National Railways. I do not agree that the obligation to pay the interest or the principal is at all dependent on whether the road earned the money.

Mr. MANION: I did not say that.

Mr. EULER: My hon. friend said he had a great deal of sympathy for the people of Canada. We all have that sympathy for ourselves, because the railways are losing money and naturally they do not want to pay out more than is necessary. But I view the matter in this way: There is a distinct difference between the shareholders of this road, who after all are the people of Canada, and the bondholders of the road who are the creditors. When a business goes wrong those owning the business should be the losers and the creditors should be paid if the assets are there with which to pay them. It may be perfectly true that there is no legal liability; it may be perfectly true that in order to satisfy their claims as far as possible the bondholders may take possession of the road, which is worth practically nothing. To-day the people of Canada, through the government of Canada and the Canadian National Railways, have taken absolutely, I contend, the position of the original owners, who were the Canadian Northern or the Mackenzie and Mann people.

Mr. MANION: They were the owners subject to the mortgage.

Mr. EULER: Quite so, but the mortgage holders are the creditors and the men who own the stock are the owners.

Mr. MANION: I am the owner of my house, but if I do not pay the interest the mortgagor can take the house.

Mr. EULER: I am very glad my hon. friend raised that point, because I was going to use that illustration with regard to the moral obligation. We will suppose that I have a house or property, or my hon. friend has it, which is worth $10,000. I need money, and I place a mortgage of $5,000 on that property. I owe that $5,000; I merely give the mortgage as a sort of security upon which the creditor may realize. I owe the whole of the $5,000, whether or not there is any security given; that is my contention. If it should happen, for any reason at all, that the property becomes worth only $2,000 or $3,000, or if the insurance on the house is allowed to lapse and the house burns down, that does not wipe out the debt; the money is still owed if there is any possibility of paying it. Should the house burn down, the debt is not wiped out even legally if there was a personal obligation, but of course in this case there was no personal liability.

Mr. MANION: And the government was not really the owner; the National railways owned it.

Mr. EULER: The government is the National railways; I do not think you can dissociate the two at all. The point is this: There was a liability in the first instance, when these bonds or debentures were sold. I presume the actual money, which amounted probably to almost the par value, was paid into the treasury of Mackenzie and Mann, or the Canadian Northern Railway, and now the government of Canada, through the National railways, has placed itself absolutely in the position of that original company. I think that must be regarded as true.

Now there is a debt to the extent of over $2,000,000 owing to these debenture holders. Is there not a moral obligation? The mere fact that a mortgage was given as security means nothing whatever as far as the moral obligation is concerned. I do not care whether the road is worth a red cent; if the debtor is able to pay he ought to pay his debt when it comes due. I think that argument is absolutely sound. The legal obligation may not be there, but I cannot see how the government of Canada, which placed itself in the position of the original borrower of that money, can escape the moral responsibility.

Mr. MANION: I think there is a slight difference in the two cases. The government of Canada never guaranteed those bonds, nor did the Canadian National Railways.

Mr. EULER: But they borrowed the money.

Mr. MANION: No, the government did not borrow the money and neither did the Canadian National. The old Canadian Northern borrowed it on a mortgage on the road, and the persons holding the mortgage have a right to foreclose. If the debenture holders thought the Dominion of Canada was responsible why was it that the bonds sold for from $50 to $35 during the last few years?

Mr. EULER: That is quite justified by the position which has been taken by the government. The debenture holders began to fear that the interest was not going to be paid, so they were glad to realize whatever they could on the bonds.

Mr. MANION: I am not going to argue too strongly, because there is merit in what my hon. friend says, but I think there is merit also in the other standpoint, and certainly the Canadian National take that attitude. So far we have backed them up. If it can be shown that through the whole history of the companies the Dominion of Canada is liable, then I presume the day will come when the Dominion of Canada will come through with the money.

Mr. EULER: A debt was created, and I do not see how the debtor can escape payment in full.

Mr. HEAPS: Did the government create the debt?

Mr. EULER: No, but the government placed itself in the position of the original debtor.

Mr. MANION: In 1919 Mackenzie and Mann would have been practically bankrupt if they had not been taken over by the government. If the government had not stepped in those bonds would not have been worth one red cent.

Mr. EULER: That is quite true, but the government did step in, very unwisely, I think. They should not have taken over the road at all.

Mr. MANION: They did step in, but I am not sure they stepped into the debt to the extent of one hundred cents on the dollar.

Mr. EULER: Certainly they did if they took the place of the original debtor.

Mr. NEILL: Would the government allow a fiat to be issued if the people concerned wish to take the matter into court?

Mr. MANION: I do not wish to give a definite answer; that would be taken into consideration.

Mr. CAYLEY: Section 18 of the act passed in 1919 states:

> The works of any of the companies comprised in the Canadian Northern system which have not heretofore been declared to be works for the general advantage of Canada are hereby declared to be works for the general advantage of Canada. . . .

What does that mean?

Mr. MANION: Does that refer to the Toronto Suburban?

Mr. CAYLEY: Yes, it is a section from the act by which it was taken over.

Mr. MANION: I should prefer not to attempt to answer that question. It is a legal question.

Mr. CAHAN: I can answer it, Mr. Chairman. To declare a work for the general advantage of Canada means nothing more or less than to bring it under the legislative jurisdiction of the parliament of Canada under the terms of the British North America Act.

Mr. CAYLEY: I am very glad to have that information. It seems to me that it is more than a moral obligation that we have towards these debenture holders; it is really a legal obligation.

Sir EUGENE FISET: Was not that order in council passed under the War Measures Act?

Mr. PORTEOUS: With regard to these bonds, I have a communication from Sir Henry Thornton which reads in part:

> The earnings from the properties of the Toronto Suburban Railway Company (now Canadian National Electric Railways) have for

many years past been insufficient not only to pay interest on the debenture stock referred to in the trust company's letter, but even operating costs, and the Canadian National Railways, without any obligation on their part, have during the period advanced moneys to the electric railways company to enable it to pay the interest on the debenture stock.

The question I want to ask is this—

Mr. SANDERSON: What is the date of that letter?

Mr. PORTEOUS: It is dated October 21, 1931. My question is this: If the Canadian National Railways had no obligation in connection with these bonds, why did they pay interest on them during that period?

Mr. MANION: I do not know that I can give the reason for their having done so, but they did for some years. That, of course, is not a sufficient reason why they should do it forever. Possibly they thought that the road might be used again, that it might become a profitable investment. They have done many things with which I do not necessarily agree.

Mr. CAYLEY: Section 19 of the same act from which I have been reading provides, with respect to the power to abandon the line, as follows:

With the approval of the governor in council, and upon the recommendation of the Board of Railway Commissioners, the company may abandon the operation of any lines or parts of lines of railway and incidental works, the operation or continued maintenance whereof has, in the opinion of the Board of Railway Commissioners, become unnecessary or inexpedient through duplication, or other economical considerations; and with the consent of a majority in value of the registered security holders affected may dismantle or dispose of the lines of railway or works so abandoned.

Has the law been carried out in that regard? Has the approval of the governor in council and others concerned been obtained?

Mr. MANION: No, I do not think it has. What was done was simply this. The railroad was abandoned by the Canadian National Railways and the owners, that is to say the debenture holders, could operate it if they chose. I speak subject to correction, but I do not think we have ever passed an order in council or that it has been submitted to the Board of Railway Commisioners, though I cannot say positively.

Mr. CAYLEY: Would it not be necessary?

Mr. MANION: I think not, for the reason that the debenture holders could operate the road.

Mr. CAYLEY: You simply walked out and left the property.

Mr. EULER: Have foreclosure proceedings been taken?

Mr. MANION: I do not know. That would be done through the Canadian National Railways, but certainly it has not come back to me in that form.

Item agreed to.

Miscellaneous services: including salaries and expenses of experts employed temporarily (revote $5,000), $41,300.

Mr. REID: How is this item made up?

Mr. MANION: It is made up of a number of items. It is for salaries to provide for emergency assistance if required, the equivalent of five temporary clerks, $5,400 less ten per cent; maintenance and operation of official cars; general expenses; travelling expenses; telegrams, telephones, express, printing, stationery and contingencies. It is really for emergency demands that may arise in the department during the year.

Item agreed to.

Railway employees' provident fund: to supplement pension allowances payable under the provisions of the Intercolonial and Prince Edward Island Railway Employees' Provident Fund Act so as to make the minimum payments during the period 1st January, 1932, to 31st March, 1933, the sum of $30 per month instead of $20, as fixed by the said act, $29,000.

Sir EUGENE FISET: Will the minister explain the purpose of this queer legislation. Will it be retroactive? Are old employees under that pension fund going to be treated like the new pensioners, or will their minimum continue at $20? I see it applies only for one year. I suppose the purpose of this is to enable the railway to retire as many of the old employees of the Intercolonial as it can this year, but the minister must realize what a shock it will be to the old pensioners who are receiving a minimum of $20 per month to-day to see new pensioners getting $30, and this only for one year.

Mr. MANION: This is for the very purpose my hon. friend mentions; it is to supplement the pension allowances paid to employees on the Prince Edward Island Railway.

Sir EUGENE FISET: Will it be retroactive?

Mr. MANION: This is a supplementary vote to give the employees the extra $10 so that they will receive $30.

Sir EUGENE FISET: It applies to everyone?

Mr. MANION: Yes.

Item agreed to.

J. L. Weller, $3,500.

Mr. VENIOT: Explain.

Mr. MANION: This is a pension paid to Mr. J. L. Weller, who for many years was an engineer on the canals.

Item agreed to.

Mr. BEAUBIEN: I assume we shall not be able to discuss the Mafeking cut-off this year?

Mr. MANION: I am sorry, but that opportunity will not be provided.

Mr. BEAUBIEN: I suppose we will have a chance next year?

Mr. MANION: The hon. gentleman had an opportunity under the vote for the Hudson Bay railway, but he did not avail himself of it. I am sorry, because I should have liked to discuss this matter.

IMMIGRATION AND COLONIZATION

Soldier and general land settlement—amount required for soldier land settlement advances, for advances under the British family schemes recoverable from the British government, for the cost of administration of soldier settlement and general land settlement, and for the cost of administration of soldier settlement staff performing investigations for the War Veterans' Allowance Committee, $1,500,000.

Mr. VENIOT: Will the committee be able to obtain under this item the information asked for this afternoon?

Hon. W. A. GORDON (Acting Minister of Immigration and Colonization): The information asked for has no reference to this item.

Mr. SPEAKMAN: Could the minister furnish the definite items of expenditure in connection with this vote?

Mr. GORDON: There will be required for soldier land settlement advances, $505,000; for advances under the British family schemes, recoverable from the British government, $20,000; for cost of administration of soldier settlement, $744,000; for cost of administration of general land settlement, $213,000, and for investigations held in connection with the Department of Pensions and National Health, $18,000.

Mr. SPEAKMAN: For what purposes are these advances now made? I understand that no further loans are being granted.

[Mr. Manion.]

Mr. GORDON: The estimated advances are: for taxes, $357,000; for insurance premiums, $101,500; for seed and feed, $8,000; for breaking and clearing, $15,000; for repairs to buildings, $12,000; for summer fallow and weed control, $3,000; for legal expenses, $1,500; for expenses re sale of securities, $2,000; for administration charges, recoverable from settlers, $2,500 and for sundry expenses, $2,500. This makes a total of $505,000.

Mr. SPEAKMAN: How many of these settlers are still on the land, and how many have left their farms during the last year?

Mr. GORDON: As at December 31, 1931, there were 11,612 soldier settlers, and 5,184 civilian settlers, making a total of 16,796. Under the British family schemes there were still on the land, 2,383 settlers and 226 purchasers of reverted property, making a total of 2,609. The grand total of both schemes is 19,405.

Mr. SPEAKMAN: How many settlers, particularly soldier settlers, have left the land during last year?

Mr. GORDON: As at December 31, 1930, those who had left were as follows: Soldiers, 252; civilians, 195; British family schemes, 103, making a total of 550.

Mr. SPEAKMAN: The minister will remember that under the amendments of 1930 it was provided that no foreclosures were to take place except through the district courts. Could the minister advise the committee if any adjustments have been carried on in such a manner as to require the services of these district judges?

Mr. GORDON: It has not been necessary to utilize the legislation referred to. The policy laid down is that no rescission of contract shall take place which would cause a man to have to give up his farm. Such a policy would be utterly hopeless at a time like this.

Mr. SPEAKMAN: There were no forceful foresclosures?

Mr. GORDON: None whatever.

Mr. SPEAKMAN: How much was due from the soldier settlers and the other two classes during the past year on arrears and on current account, and how much has been paid during the past year?

Mr. GORDON: To April 14, 1932, the current payments falling due amounted to

$3,373,890.87; there were arrears of $2,065,151.67; there was paid on account during the past year $881,705.63—or 26 per cent of the current payments falling due.

Mr. SPEAKMAN: Is that the general percentage as applied to all three classes?

Mr. GORDON: That applies to the soldier settlers only. With respect to the three thousand British family settlement scheme, the current payments falling due amount to $850,487.33; arrears, $652,910.23; total, $1,503,397.56. The payments on account during the past year amount to $91,548.94—or 18 per cent of the current payments falling due.

Mr. SPEAKMAN: So the soldier settlers have done rather better than the others, I suppose on account of the deductions that have taken place with regard to the soldier settlement farms.

Mr. GORDON: It would appear that the soldier settlers have done better than the others by just the difference between 26 and 18 per cent. That in a measure is due to the remedial legislation, and also to the fact that they have been longer established on the land than the British family settlers.

Mr. SPEAKMAN: What were the total advances made by the Dominion government on this whole scheme; the amount paid, the amount deducted by way of legal exemptions made during those different years, and the total now outstanding as the whole investment?

Mr. GORDON: As of December 31, 1931, the gross loans, including interest, totaled $137,882,141.98. From that should be deducted land transferred to the British settlement scheme, $8,431,234.51, repayments of $47,657,960.27, legislative reductions—that is the remedial legislation to which I made reference —$21,721,976.52—making a total of $77,811,171.30. That deducted from the $137,882,141.98 leaves a balance of $60,070,970.68. Then there were losses on resale of reverted properties, $10,565,913.42, which should be deducted from the amount just mentioned, leaving a balance of $49,505,057.26. The British family settlement loans amount to $13,878,170.64. This makes a present net investment by the country, $63,383,227.90.

Mr. SPEAKMAN: There is one point in these statistics that I do not quite follow. I understand the total advances made, including interest, represents the country's original investment in the entire scheme of about $140,000,000, that something like $48,000,000 has been repaid, including interest. The minister will have noted from the records that in 1922 interest exemptions were granted, running over two, three or four years, according to the length of time of the men on the land, amounting I think to $10,000,000. I was chairman of that committee at the time. That apparently is not taken account of. Should not that $10,000,000 of exemptions have been added to the $137,000,000 of total investment, and then deducted just as were the other deductions? Because undoubtedly the country will be paying interest upon the equivalent of that $10,000,000.

Mr. GORDON: The amount referred to is not included in the $137,882,141.98. It would have to be added.

Mr. SPEAKMAN: It should be. It was an exemption just as much as the $121,000,000. I shall have something to say later on the general policy.

Mr. GORDON: I am instructed that the amount never was charged up to the advances. Strictly speaking, I think it should have been.

Mr. SPEAKMAN: Yes.

Mr. CAYLEY: I have heard some complaints from the municipal councils that they were unable to collect their taxes on abandoned farms. Is any provision made for the payment of such taxes? I have in mind some of these veterans who have undertaken farming operations, and have done well, but under present conditions they find their taxes are a very heavy burden. Some have reached the condition where they are likely to have their chattels seized for taxes. In order to keep these well qualified farmers on the land, is the government extending them any assistance?

Mr. GORDON: The question of taxes on these lands of course always has been a problem, because under the British North America Act, if I remember correctly, such lands would not be subject to municipal taxes. With respect to the settlers themselves we have adopted the policy that where a settler is desirous of staying on the land, even in these times when he is having a difficult struggle, he will not be disturbed and the government will take care of his taxes, making the advance to soldier settlers as the act contemplates in order to tide them over this period.

Mr. CAYLEY: Then all he needs to do is to make application for the advance?

Mr. GORDON: If he makes application to the district office for an advance for his taxes, the officer will very likely know all the man's circumstances, and if the settler is making

an honest effort, in other words, if he is not making a fraudulent attempt to secure an advance, the policy is to make that advance of taxes to him in order that he may not find himself confronted with a bill that he cannot meet.

Mr. CAYLEY: Do you take a lien on his chattels for the repayment of that advance?

Mr. GORDON: Originally under the legislation the government had a prior lien or charge against not only the land but the chattels as well, but in 1930 legislation was passed disposing of the prior lien against the live stock, so that now the government has no priority on the live stock for taxes. I can assure the hon. member that in any case of merit the government will see that no man has his live stock sold for taxes during this trying period.

Mr. CAYLEY: Thank you.

Mr. LUCAS: Would the minister tell the committee how the collections during the past year compared with the preceding year?

Mr. GORDON: Does the hon. member want it by provinces?

Mr. LUCAS: Perhaps the minister would give the totals and then by provinces.

Mr. GORDON: In 1931 the total collections amounted to $883,642.45, or 27.6 per cent, and in 1932, $881,705.63. The figures are not given in all cases by provinces, but in some cases by districts. The amounts collected from the soldier settlers in 1931 and 1932 were as follows:

District	1931	1932
British Columbia. .	$237,490 32	$147,357 25
Calgary office. . . .	89,383 75	114,972 57
Edmonton office. . .	105,140 03	227,108 22
Saskatchewan. . . .	150,358 86	177,297 57
Manitoba.	81,700 23	61,977 52
Ontario.	118,258 83	89,797 37
Quebec.	30,991 53	24,877 29
Maritime provinces.	70,318 90	38,317 84

So in spite of the low commodity prices the settlers I think are doing remarkably well, and it will be noticed that in spite of the tragedy in southern Saskatchewan the settlers paid more in 1932 than in 1931.

Mr. SPEAKMAN: A little over a year ago the minister put into effect certain changes in administration for the purpose of bringing about economies. Would the minister tell the committee what was the result of the economies thus effected? I am not asking for details but simply in the gross, as to the number of employees and the amount expended.

[Mr. Gordon.]

Mr. SANDERSON: Would the minister be good enough to state the total arrears of interest?

Mr. GORDON: Answering my hon. friend from Red Deer first, on August 6, 1930, the staff amounted to 526 persons with annual salaries of $974,274, and on December 31, 1931, the staff had been reduced to 368 persons with annual salaries of $704,010. The reduction in the staff therefore was 158, and the reduction in the annual salaries $270,264. Then there was a reduction of 41 in the number of motor cars. In August, 1930, there were 161 motor cars, of which 41 were deemed to be unnecessary. I believe the experiences in the last year and a half have amply justified the reduction.

Mr. SANDERSON: The minister made some change in the settlement board within the last year. Previously there was a board of three members.

Mr. GORDON: I did not make the change; parliament did.

Mr. SANDERSON: But the minister must take the responsibility.

Mr. GORDON: Certainly I do. Originally there was a board of three, now there is one. It was by reason of that change that the economies to which I have made reference were possible. I shall illustrate, if hon. members wish: Originally there were three members, composed of a chairman and two commissioners.

Mr. SANDERSON: Were the three all ex-service men?

Mr. GORDON: No; two were ex-service men and one was not. There were nine divisions at head office, each commissioner having three divisions of the service under his jurisdiction. In the field I found that no one of the offices was so organized that it corresponded with head office, and that no two districts seemed to have the same method or system of accounting. I believed that it would be desirable to do away with the board of three and to place one man in charge. That was done, and the nine divisions at head office were reduced to three. Each district office throughout Canada was reorganized so that its business methods would conform to those at head office. We found that irritating delays in answering complaints and requests from settlers were eliminated, because there was very little if any conflict in jurisdiction at head office. From the correspondence I

have reviewed coming from many hundreds of settlers I think the change was desirable, and I know it is working out very well.

Mr. SANDERSON: One member now takes the place of the former three; is that member an ex-service man?

Mr. GORDON: Yes, and one with a very fine overseas record.

Mr. DUFF: Which two men were let out, and what positions did they hold?

Mr. GORDON: Colonel Rattray, the chairman, and Mr. Maber, one of the commissioners, who was not an ex-service man and who had a substantial superannuation. I am told that his superannuation amounted to about $3,600.

Mr. DUFF: Why was Colonel Rattray let out when he had been chairman of the board, and when he had advised that the board be reduced from three to one? Why was he not kept on as the one remaining member, instead of bringing in an outsider?

Mr. GORDON: I was never advised that Colonel Rattray suggested the reduction. Certainly he never did so at any time to me.

Mr. DUFF: I do not suppose he had a chance, when you fired him.

Mr. GORDON: Well now—

Mr. DUFF: Would the minister give us the reason why Colonel Rattray was let out? He was chairman of the board, an ex-soldier, a good business man, and there were no complaints against him.

Mr. GORDON: Because I believed I was getting a better man to take charge. I do not make that statement as any reflection upon Colonel Rattray, who I believe was a fine soldier and a gentleman. However, after making a complete survey from coast to coast I concluded that a stranger and an outsider should be put in charge, and I think the efficiency of the department has amply justified the change.

Mr. DUFF: Who was the gentleman put in charge?

Mr. GORDON: Thomas Magladery.

Mr. DUFF: Where did he come from?

Mr. GORDON: Originally he came from Edmonton, and subsequently lived in New Liskeard. He was appointed in October, 1930, by the old board composed of Colonel Rattray and the other two commissioners, to make a survey on all phases of soldier land settlement.

Mr. SANDERSON: On the recommendation of the minister, of course?

Mr. GORDON: Yes, on my recommendation. I may say there was no division of opinion among the members of the board as to the necessity for doing it. Prior to that he had made a general survey among and had organized the sales forces of a large agricultural machinery company operating in the three western prairie provinces. He was well acquainted with the situation with respect to settlers generally and with those in the west particularly.

Mr. DUFF: Mr. Chairman, if I understand my geography the place from which this gentleman came who was appointed after Colonel Rattray was the town of New Liskeard, which is in the constituency of my hon. friend the minister. In other words he appointed a man from his own constituency and dismissed a good servant of the public who had served overseas.

The CHAIRMAN (Mr. Smith, Cumberland): Shall the item carry?

Some hon. MEMBERS: No.

Mr. DUFF: We want Rattray put back.

Item stands.

Progress reported.

At eleven o'clock the house adjourned without question put, pursuant to standing order.

Monday, April 25, 1932

The house met at three o'clock.

PRIVATE BILLS

FIRST AND SECOND READINGS—SENATE BILLS

Bill No. 54, for the relief of Georgina Linda McIndoe Howard.—Mr. White (Mount Royal).

Bill No. 55, for the relief of Antonio Poliseno.—Mr. Lawson.

Bill No. 56, for the relief of Dorothy Gertrude Silcock Wilson.—Mr. Bell (St. Antoine).

Bill No. 57, for the relief of Beulah Isobel Phillips Eakin.—Mr. Bell (St. Antoine).

Bill No. 58, for the relief of George Seymour Dixon.—Mr. Bell (St. Antoine).

Bill No. 59, for the relief of Audrey Meredith Mann Redpath.—Mr. Bell (St. Antoine).

Bill No. 60, for the relief of Ethel Seigler Nissenson.—Mr. Jacobs.

TRANSFER OF ACCOUNTING STAFFS

Mr. SPEAKER: I have the honour to inform the house that I have received the following communication from the Minister of Finance (Mr. Rhodes):

Ottawa, April 11, 1932.

Dear Sir,—

I am informed that the Clerk of the House of Commons and the Comptroller of the Treasury have discussed the transfer of accounting staffs and are in agreement.

Therefore, under the authority of P.C. 14/560, dated March 10, 1932, and section 36 of the Consolidated Revenue and Audit Act, 1931, I designate the following accounting officers on the staff of the House of Commons to be transferred to the Department of Finance, under the direction and control of the Comptroller of the Treasury, in accordance with the terms given in the order in council already referred to:

Sherwood, B. W., chief accountant, $4,140.
Jarvis, H. A., assistant clerk, $2,340.
Bissonnette, E. A., clerk, grade 3, $1,380.

Yours faithfully,
Edgar N. Rhodes.

The Speaker of the House of Commons,
Ottawa.

UNEMPLOYMENT AND FARM RELIEF

Hon. W. A. GORDON (Minister of Labour): I desire to lay on the table of the house orders in council Nos. 813, 814, 815, 816, 888 and 911, passed pursuant to the provisions of the Unemployment and Farm Relief Continuance Act, all relating to the payments of money.

PRINTING OF PARLIAMENT

Mr. S. C. ROBINSON (West Essex) moved that the first report of the joint committee of both houses on the printing of parliament, presented to the house on April 20, be concurred in.

Motion agreed to.

COMPANIES ACT AMENDMENT

Hon. C. H. CAHAN (Secretary of State) moved for leave to introduce Bill No. 61, to amend The Companies Act.

Mr. MACKENZIE KING: Explain.

Mr. CAHAN: Several provinces have in recent years enacted legislation requiring assignments of book debts to be registered locally, and in order that section 85 of The Companies Act of Canada may be brought into consistent operation with the provincial legislation dealing with the same subject, I am proposing a slight amendment to that section.

Motion agreed to and bill read the first time.

[Mr. Duff.]

QUESTIONS

(Questions answered orally are indicated by an asterisk).

STAMP COMMISSION

Mr. BOTHWELL:

1. What was the cost of printing the Stamp commission report?

2. What number of copies were printed: (a) how many were sold and what amount was realized; (b) how many copies were distributed free?

Mr. CAHAN: May I answer this question orally, as I have just received the reply from the King's Printer. In so far as respects the Department of Public Printing and Stationery:

1. $2,144.73.

2. Total copies, 14,850. (14,350 English, 500 French). (a) 12,057 copies sold, $2,441.89 realized. (b) By Department of Public Printing and Stationery: 100 copies English, 50 copies French.

ROYAL CANADIAN AIR FORCE

Mr. AHEARN:

1. When a large number of officers and other ranks of the Royal Canadian Air Force were let out of that service recently, was the headquarters staff of the Royal Canadian Air Force reduced in proportion to the reduction in active flying officers and flying personnel of other ranks?

2. How many officers and other ranks were attached to the Royal Canadian Air Force headquarters and other staff positions as of March 31, 1931?

3. How many officers and other ranks are attached to Royal Canadian Air Force headquarters and other staff positions as of March 31, 1932?

Mr. SUTHERLAND:

1, 2 and 3. The recent reduction in the Royal Canadian Air Force was not effective until April 1, 1932. On that date three officers and six airmen were released from headquarters. The transfer of several officers is now pending and additional officers and airmen will be transferred to the outside service as, and when, reorganization proceeds.

QUESTIONS PASSED AS ORDERS FOR RETURNS

DEPARTMENT OF AGRICULTURE—PUBLICATIONS BRANCH

Mr. CHEVRIER:

1. What are: (a) the names; (b) the years of service; (c) the salary or wages; (d) the number of dependents, of all employees of the Publications branch of the Department of Agriculture at Ottawa who have been let out of their positions in the said branch from the 1st January, 1932, to date?

2. What are the names of the said employees, if any, who have been taken back into the government service either: (a) in their former positions; or (b) in new positions?

3. What are: (a) the names of all new employees, if any, who have been taken on in the said branch; (b) the date of their appointment since the 1st January, 1932, to date; (c) the number of dependents of every one?

4. If any such employee who has been taken back replaces in said branch a former employee (one who has been let out), what (a) was the salary of said former employee; (b) is the salary of such new incumbent?

5. Upon the recommendation of what officer of the said branch, and upon the approval of the said recommendation by what further officer of the said branch, were the said employees let out of the public service?

6. (a) what were the reasons for such releases; (b) what principle, if any, was followed in selecting the employees who were released as aforesaid?

DEPARTMENT OF THE INTERIOR—WATER POWER BRANCH

Mr. CHEVRIER:

1. How many employees of the Water Power branch, Department of the Interior, have (a) been actually let out, or (b) have received notice that from and after a certain date their services will no longer be required?

2. How many of such employees (a) are civilians; (b) has active overseas service?

3. What are the number of dependents of every such employee?

4. What is in every case of active overseas service the disability, if any?

5. (a) what is now the total number of employees in said branch; (b) what is the number of employees with overseas active service?

6. Of the total number of employees now in said branch how many are (a) single males; (b) single females; (c) married males; (d) married females; (e) civilians; (f) active overseas service?

7. What is the length of military service separately of every A.O.S. employee that has been released or has had notice that after a certain date his or her services will no longer be required?

RESIGNATION OF POSTMASTERS

Mr. POULIOT:

1. To how many postmasters, in each province, since August, 1930, have the letters and forms shown at pages 6 and 11 inclusive, of the file 244, S.P. No. 257, of April 1, 1932, been forwarded?

2. How many postmasters, in each province, forwarded their resignation, after having received these letters and forms?

3. How many postmasters were dismissed, in each province, after having duly filled and readdressed the said letters or forms to the Post Office department?

UNOPPOSED MOTIONS FOR PAPERS

UNEMPLOYMENT AND FARM RELIEF

Mr. ILSLEY:

For a copy of all letters, telegrams, memoranda, reports and other documents exchanged between the Department of Public Works and any person or persons in Nova Scotia regarding the expenditure of public money under the Unemployment and Farm Relief Act, 1931, on the construction of a wharf, and on repairs to an existing wharf, both at Great Village, Colchester county, Nova Scotia; also a copy of the payrolls, showing the amount expended in labour and how expended; also a copy of the accounts showing prices paid for iron, logs, ballast, ballast poles, timber and plank, and from whom purchased.

Mr. ILSLEY: May I move to amend this motion slightly. I find that the place is Spencer's Point and not Great Village. I move that in the fifth and sixth lines the words "and on repairs to an existing wharf, both at Great Village" be struck out and the words "at Spencer's Point" be substituted therefor.

Mr. SPEAKER: Is it the pleasure of the house to adopt the motion? It must be by unanimous consent.

Motion agreed to.

Motion as amended agreed to.

ST. JEAN L'EVANGELISTE AND NOUVELLE POSTMASTERSHIP

Mr. MARCIL:

For a copy of the report of the commissioner appointed to investigate the charges against the postmaster of St. Jean l'Evangeliste and Nouvelle, county of Bonaventure, together with copy of the evidence in each case.

UNEMPLOYMENT RELIEF

Mr. MARCIL:

For a copy of the paylists for unemployment works in the parish of Bonaventure, county of Bonaventure, during 1932.

Mr. BENNETT: These reports are not divided into parishes. The best than can be done will be done, but there is no division of work by parishes.

Mr. MARCIL: I understand that a certain amount has been allowed, to be spent in that parish, the Dominion contributing one portion and the province and the municipalities the other.

Mr. BENNETT: It is the county of Bonaventure, not the parish. We will give such information as we have.

ST. NAZAIRE D'ACTON MAIL CONTRACT

Mr. DUMAINE:

For a return showing a copy of all tenders, the names of each person tendering, the amount of each respective tender and the date of its reception, the name of person to whom contract was awarded and on whose recommendation in connection with the mail contract on rural route No. 1, St. Nazaire d'Acton, in the county of Bagot; also a copy of all telegrams and correspondence exchanged in this respect

between the Postmaster General or any official of the Post Office Department and Mr. Leon Gauthier, M.D., of Acton Vale, Quebec.

LUCIEN LACASSE

Mr. LAPOINTE:

For a copy of all letters, telegrams, correspondence, investigations, evidence, reports and other documents concerning the dismissal, in March, 1932, of Lucien Lacasse, an employee of the Department of Marine, in the city of Quebec.

UNEMPLOYMENT AND FARM RELIEF—ST. EMILE, QUEBEC

Mr. LAFLECHE:

For a copy of all correspondence, in connection with unemployment, exchanged between the Minister of Labour, and Mr. Emile Provost, mayor of the parish of St. Emile, county of Montcalm, Quebec.

UNEMPLOYMENT AND FARM RELIEF—NOVA SCOTIA

Mr. ILSLEY:

For a copy of all accounts, vouchers, payrolls and other documents showing all the expenditures under the Unemployment and Farm Relief Act, 1931, on the wharf at Arichat, Nova Scotia.

For a copy of all accounts, vouchers, payrolls and other documents showing all the expenditures under the Unemployment and Farm Relief Act, 1931, on the shore protection at D'Ecousse, Nova Scotia.

For a copy of all accounts, vouchers, payrolls and other documents showing all the expenditures under the Unemployment and Farm Relief Act, 1931, on the wharf extension and shed repairs at West Arichat, Nova Scotia.

MOTION FOR PAPERS

POST OFFICE, AILSA CRAIG, ONTARIO

Mr. ELLIOTT:

For a copy of all letters, telegrams, memodanda, reports of the inspector, and other documents, in connection with the post office vacancy at Ailsa Craig, Ontario.

Mr. BENNETT: Perhaps the hon. gentleman would indicate the dates to which he has reference; as the motion now stands, it is rather general.

Mr. ELLIOTT: I refer to the date when the vacancy occurred.

Motion agreed to.

NEW ZEALAND TREATY

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, may I ask the Minister of Trade and Commerce (Mr. Stevens) if he will advise the house just why he is unable to introduce the bill respecting the trade agreement between Canada and New Zealand reference to which appears on the orders of the day. It would have been of advantage to some of us had we had this agreement before the completion of the debate on the budget.

Hon. H. H. STEVENS (Minister of Trade and Commerce): Mr. Speaker, the agreement will be tabled to-morrow evening between ten and eleven o'clock. By doing this we will synchronize with the tabling of the agreement in New Zealand, which will be at about three o'clock on Wednesday afternoon.

Mr. MACKENZIE KING: That will probably synchronize also with the closing of the budget debate.

RADIO BROADCASTING

LEGISLATION RELATING TO CONTROL AND OWNERSHIP

On the orders of the day:

Right Hon. W. L. MACKENZIE KING (Leader of the Opposition): Mr. Speaker, will the Prime Minister (Mr. Bennett) advise if it is the intention of the government to introduce legislation during this session on the subject of radio broadcasting and ownership control?

Right Hon. R. B. BENNETT (Prime Minister): Mr. Speaker, until the report of the committee dealing with this matter is tabled in this house, obviously I can make no announcement with respect to this matter. The question asked by my right hon. friend affords me an opportunity to say that my attention has been directed to a report in the newspapers indicating that certain discussions took place during a caucus of the government party. What transpires at caucuses is not supposed to be a matter of discussion and I have pleasure in informing the house that this matter was not discussed in any way. The government would not anticipate the action of the committee by suggesting what the report of the committee should be. It is obvious that a committee composed of the gentlemen who compose this committee would not take kindly to any such suggestion, even if it were made as it will not be. The hon. member for North Waterloo (Mr. Euler) and the former Minister of Marine (Mr. Cardin) are sufficient guarantee of the fact that this committee would not appreciate a suggestion from the government as to what its report should be, even assuming that such a suggestion were in the minds of the government, which it is not.

Mr. EULER: I assume that that statement covers the report that the Minister of Marine

(Mr. Duranleau) was in Montreal the other day in order to discuss going on with the proposals made by Mr. Beatty.

Mr. BENNETT: It certainly does.

PENSION ACT AMENDMENT

Hon. MURRAY MacLAREN (Minister of Pensions and National Health): Mr. Speaker, in answer to the inquiry of the hon. member for North Battleford (Mr. McIntosh) and other hon. members as to whether the government proposes to introduce legislation to amend the Pension Act during the present session, may I inform the house that the government has given very careful consideration to the statement submitted by the associated veterans in connection with the operation and administration of the act. Representatives of the five service organizations concerned were heard by the government on April 23, and the view taken by the government is indicated by a letter to Major J. S. Roper, chairman of the associated veterans, which reads:

Ottawa, April 23, 1932.

Major J. S. Roper, M.C., K.C.,
Dominion President,
The Canadian Legion of the
British Empire Service League,
(Chairman of the Associated Veterans),
Ottawa.

Dear Sir,—

With reference to the legislative proposals submitted in January and to the hearing held to-day by the government at which were present representatives of the associated veterans, i.e., the Amputations Association of the Great War, the Sir Arthur Pearson Club of Blinded Sailors and Soldiers, the Canadian Pensioners' Association of the Great War, the Army and Navy Veterans in Canada, and the Canadian Legion of the British Empire Service League:

Under the amendments to the Pension Act of 1930, the Pension Tribunal has operated for only eighteen months and the Pension Appeal Court for fifteen months. When the legislation of 1930 was passed, it was suggested that it should at least have a fair trial before further amendments were made. The government is of the opinion that it can hardly be said that the time it has been in operation has afforded a real opportunity to test its effectiveness. Every effort will be made to improve the administration of the act and to expedite decisions being made. Our information warrants the belief that, when parliament again meets, we should be in a position to definitely determine the weakness of the present act and desire that every effort should be made to ascertain what amendments may be necessary.

The government will be pleased to refer the whole matter to a committee of the associated veterans' organizations, in conjunction with a committee appointed by the government, the report to be presented to the government before the first of, say February, 1933.

On behalf of the government, I desire to thank you and your officers and members not only for the spirit in which you have approached the matter under consideration, but also for the real assistance you have been in the administration of the act, and to express the hope that, as a result of cooperative effort, the conditions of which you complain may disappear.

Believe me, I am,
Yours faithfully,
(sgd.) Murray MacLaren,
Minister of Pensions and
National Health.

The reply from Major Roper reads as follows:

Ottawa, Canada,
April 24, 1932.

Colonel the Hon. Murray MacLaren,
C.M.G., P.C., M.P.,
Minister of Pensions and
National Health,
Daly Building,
Ottawa, Ontario.

Sir:—

I have the honour to acknowledge receipt of your very courteous letter of April 23, regarding the legislative and other proposals affecting ex-service men and women in Canada submitted to the Right Hon. the Prime Minister and members of the government of Canada by representatives of The Army and Navy Veterans in Canada; The Amputations' Association of the Great War; The Sir Arthur Pearson Club of Blinded Sailors and Soldiers; The Canadian Pensioners' Association of the Great War, and the Canadian Legion of the British Empire Service League, hereinafter referred to as the associated veterans.

Since these proposals were presented in January, a survey has been made of the complaints arising from the operation of the present act from one end of Canada to the other. On investigation these complaints resolve themselves into three major classes, viz.: complaints re (a) the congestion of cases in the Board of Pension Commissioners for Canada and the Pension Appeal Court; (b) the length of time it takes to get a final decision; (c) the unnecessary appealing of cases by commission counsel. The associated veterans are pleased to have the assurance of the government that every effort will be made to improve the administration of the act and to expedite decisions being made. This will in a measure satisfy some of the complaints.

The associated veterans have further taken into consideration the proposition made by the government to refer the whole matter to a committee of the associated veterans' organizations in conjunction with a committee appointed by the government, the report to be submitted to the government before the first of February, 1933. After taking into consideration the statements made by the government to the associated veterans yesterday and having due regard to the times through which Canada is passing the associated veterans while realizing the necessity of immediate remedial action, have come to the conclusion that they should accept this proposition provided that the report is made to the government when complete and any necessary legislation evolving from the same is presented to the next session of parliament. This also will enable a very close study to be made

during the summer of the act by all parties interested. The associated veterans, however, are of the opinion that no time should be lost in appointing this committee and they are prepared immediately to meet together and name their representatives. In conclusion we wish to thank this government and its predecessors in office and the parliament of Canada for its kindness and consideration in days gone by and at the present time and to assure them that the ex-service men of this country to-day as in the days from 1914 to 1918 are willing to do everything in their power to assure the peace, order, and good government of Canada.

I have the honour to be, Sir,

Your obedient Servant,

(Sgd.) J. S. Roper,
Dominion President, Canadian Legion of the British Empire Service League on behalf of the Associated Veterans named in the body of this letter.

Mr. CAMERON R. McINTOSH (North Battleford): May I say I listened to the reply of the Minister of Pensions and National Health, and I want to thank him for the definite and satisfactory answer that he has given to the many questions asked him this session in connection with pensions and returned men. But I should like to ask him whether, when the committee is appointed for next session, soldier settlers will be included by the government in the investigation?

Mr. MacLAREN: No; this subject does not come under the purview of the investigation.

Mr. McINTOSH: I might say that it was connected with the pension question in 1930, and I should like to impress upon the minister the importance of not overlooking the interests of the soldier settlers next year when the question is investigated.

Mr. SPEAKER: The hon. member has not the right to make a speech.

Mr. McINTOSH: It is not my intention to make a speech.

PURCHASE OF FERTILIZER

On the orders of the day:

Hon. ROBERT WEIR (Minister of Agriculture): In answer to a question asked on Friday last by the hon. member for Prince (Mr. MacLean), my information is that no such resolution has been received.

PRIVILEGE—MR. NEILL

APPEAL FROM RULING OF MR. SPEAKER—RULING SUSTAINED

On the orders of the day:

Mr. A. W. NEILL (Comox-Alberni): I rise to a question of privilege under authority of standing order 16 of Beauchesne's Parliamentary Rules and Forms, and also of Bourinot, pages 303 and 304. Both these authorities lay down the rule that any question of privilege must have a reference to a member of parliament and to his functioning as such. The matter I wish to take up very briefly comes under that definition, so I presume I am in order. On page 2295 of Hansard of April 22 will be found two definite misstatements, both concerning myself. Both are intended and one of them is calculated to prejudice my political record and reputation. The hon. member for Fraser Valley (Mr. Barber) was referring to a debate in 1925 in connection with railway matters and he read to the extent of half a column the exact words of a speech made on that occasion by the present leader of the opposition (Mr. Mackenzie King), then Prime Minister of Canada. A little later on he used these words, referring to me:

> Well, the hon. member himself sat in this house during the session of 1925. I have gone very carefully through the debate to which I have referred—

Please note the Ultima Thule of caution. He had gone through it, not carefully, but very carefully.

> —but I cannot find that he offered any suggestions to the then government, nor did he support the Conservative members from British Columbia who demanded justice for their province with respect to freight rates.

He then, to the exent of about half a column, bases on that statement an attack against me. My answer is that his statement is entirely wrong. I did speak in that debate—

Mr. SPEAKER: I call the hon. member to order. So far he has given the house nothing that indicates he is speaking to a question of privilege. I have looked up the debate to which he refers. The hon. member for Fraser Valley says:

> I have gone very carefully through the debate to which I have referred, but I cannot find—

And so forth.

Mr. NEILL: But I am now going to proceed to show that is a gross misstatement.

Mr. SPEAKER: If the hon. member for Fraser Valley could not find certain things in a debate, that is no basis for a question of privilege on which the hon. member for Comox-Alberni could make a speech in refutation. What the hon. member for Fraser Valley said was fair criticism of another hon. member, and there may come a time in debate when the hon. member for Comox-Alberni can reply; but he cannot, on a question of privilege, make a speech in reply, as he is attempting to do now.

Mr. NEILL: If refuting a misstatement is not a question of privilege, then I appeal from your decision, Mr. Speaker.

Mr. SPEAKER: It is not a question of privilege and it is not a proper statement to make.

Mr. NEILL: Then I appeal from your decision. I have not even been allowed to state the question. Am I permitted to continue?

Mr. SPEAKER: The hon. member can appeal from the Speaker's ruling if he wishes. I rule that it is not a question of privilege, and it is an attempt on the part of the hon. member now to continue a debate which, so far is he is concerned, is closed.

Mr. NEILL: Then I appeal from that decision. While you are looking up the points of order, perhaps I may be allowed to state the question.

Mr. SPEAKER: I am looking up the procedure in regard to appealing from a Speaker's ruling. The hon. member for Comox-Alberni having quoted from the speech of the hon. member for Fraser Valley, as reported in Hansard of April 22, 1932, at page 2295, and on a question of privilege undertaking to reply thereto; the Speaker having ruled that the same is not a question of privilege and that the hon. member for Comox-Alberni is out of order, the hon. member for Comox-Alberni appeals from that ruling.

The house divided on the question: Shall the ruling of the chair be sustained? And the ruling was sustained on the following division:

YEAS

Messrs:

Arthurs,
Barber,
Beaubier,
Belec,
Bennett,
Bourgeois,
Boyes,
Burns,
Bury,
Cahan,
Chaplin,
Charters,
Cotnam,
Cowan (Port Arthur-Thunder Bay),
Davies,
Cowan (Long Lake),
Dickie,
Embury,
Esling,
Gagnon,
Garland (Carleton),
Gordon,
Hay,
Johnstone,
Loucks,
Macdonald (Kings),
Macdougall,
MacLaren,
MacNicol,
Manion,
Morand,
Mullins,
Murphy,
Myers,
Perley (Qu'Appelle),
Pettit,
Pickel,
Plunkett,
Price,
Quinn,
Rogers,
Ryckman,
Senn,
Shaver,
Simpson (Simcoe North),
Smith (Victoria-Carleton),
Smoke,
Spankie,
Sproule,
Stanley,
Stevens,
Stewart (Leeds),
Stewart (Lethbridge),
Stirling,
Sutherland,
Swanston,
Thompson (Simcoe East),
Thompson (Lanark),
Turnbull,
White (London),
White (Mount Royal),
Wright.—62.

NAYS

Messrs:

Ahearn,
Blair,
Bothwell,
Bouchard,
Butcher,
Cayley,
Chevrier,
Denis,
Donnelly,
Euler,
Fiset, Sir Eugène,
Fournier,
Gardiner,
Garland (Bow River),
Gershaw,
Goulet,
Heaps,
Howden,
Hurtubise,
Ilsley,
King, Mackenzie,
MacInnis,
Macphail (Miss),
McPhee,
Mitchell,
Munn,
Neill,
Parent,
Reid,
St-Père,
Sanderson,
Speakman,
Stewart (Edmonton West),
Totzke,
Woodsworth.—35.

PAIRS

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

Messrs:

Anderson (Halton),
Anderson (High-Park),
Arsenault,
Baker,
Baribeau,
Barrette,
Bell (Hamilton West),
Bell (St. Antoine),
Bell (St. John-Albert),
Beynon,
Black (Halifax),
Bowen,
Bowman,
Cantley,
Casselman,
Dorion,
Duguay,
Dupré,
Duranleau,
Edwards,
Fraser (Cariboo),
Fortin,
Geary,
Gobeil,
Gott,
Guthrie,
Hackett,
Hanson (York-Sunbury),
Harris,
Kennedy (Winnipeg),
Laflèche,
Laurin,
Lawson,
Lennox,
Factor,
Boucher,
Thauvette,
Bertrand,
Dumaine,
Rhéaume,
Mercier (St. Henri),
Raymond,
Dubois,
Coote,
Dubuc,
McKenzie,
Hanson (Skeena),
Cardin,
Howard,
Verville,
Boulanger,
Ferland,
Hanbury,
Elliott,
McMillan (Huron),
Fafard,
Mercier (Laurier-Outremont),
Rinfret,
Rutherford,
Lapointe,
Perras,
Veniot,
Jacobs,
McIntosh,
Girouard,
Fontaine,
Gray,
Pouliot,

MacDonald (Cape Breton), MacMillan (Saskatoon), McDade, McGibbon, McGillis, McLure, Maloney, Matthews, Nicholson, Perley, Sir George, Rhodes, Robinson, Ross, Rowe, Ryerson, Sauvé, Short, Simpson (Algoma), Smith (Cumberland), Spence, Spotton, Stinson, Stitt (Nelson), Stitt (Selkirk), Sullivan, Tummon, Weir (Melfort), Willis, Wilson, Urquhart, Mackenzie (Vancouver), Dupuis, Power, Deslauriers, MacLean, Young, Moore (Ontario), Bradette, Marcil, Ralston, Desrochers, Roberge, Lacroix, Taylor, Séguin, Heenan, Casgrain, Duff, Fraser (Northumberland), Hepburn, Hall, Beaubien, Weir (Macdonald), Brasset, Malcolm, Motherwell, Brown, Vallance.

Mr. BELL (St. Antoine): I was paired with the hon. member for Nicolet (Mr. Dubois). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. WEIR (Melfort): I was paired with the hon. member for Melville (Mr. Motherwell). Had I voted I would have voted to sustain the Speaker's ruling.

Mr. YOUNG: I was paired with the hon. member for South Renfrew (Mr. Maloney). Had I voted I would have voted against the Speaker's ruling.

Mr. ELLIOTT: I was paired with the hon. member for South Waterloo (Mr. Edwards). Had I voted I would have voted against the Speaker's ruling.

Mr. BOULANGER: I was paired with the hon. member for Lake St. John (Mr. Duguay). Had I voted I would have voted against the Speaker's ruling.

Mr. VENIOT: I was paired with the hon. member for York-Sunbury (Mr. Hanson). Had I voted I would have voted against the Speaker's ruling.

Mr. McINTOSH: I was paired with the hon. member for Winnipeg South Centre (Mr. Kennedy). Had I voted I would have voted against the Speaker's ruling.

Mr. BRASSET: I was paired with the hon. member for St. Ann (Mr. Sullivan). Had I voted I would have voted against the Speaker's ruling.

[Mr. Speaker.]

Mr. BERTRAND: I was paired with the hon. member for Toronto Northeast (Mr. Baker). Had I voted I would have voted against the Speaker's ruling.

Mr. HANSON (Skeena): I was paired with the hon. member for Dauphin (Mr. Bowman). Had I voted I would have voted against the Speaker's ruling.

Mr. BRADETTE (Translation): I was paired with the hon. member for Algoma East (Mr. Nicholson). Had I voted I would have voted against the Speaker's ruling.

Mr. SAUVE (Translation): I was paired with the hon. member for L'Assomption-Montcalm (Mr. Séguin). Had I voted I would have voted to sustain the Speaker's ruling.

THE BUDGET

CONTINUATION OF DEBATE ON THE ANNUAL FINANCIAL STATEMENT OF THE MINISTER OF FINANCE

The house resumed from Thursday, April 21, consideration of the motion of Hon. E. N. Rhodes (Minister of Finance) that Mr. Speaker do now leave the chair for the house to go into committee of ways and means, the proposed amendment thereto of Mr. Ralston, and the proposed amendment to the amendment of Mr. Gardiner.

Mr. OSCAR L. BOULANGER (Bellechasse) (Translation): Mr. Speaker, previous to the adjournment of the debate, on Thursday evening, I compared certain statements made by our friend, the hon. Postmaster General (Mr. Sauvé) in the course of the elections of 1930 and 1931, with the recent statements he made in the house. I did so not simply to be disagreeable to him, but for the sake of truth. Ever since our hon. friend has held a responsible post in the council of the nation, he would gladly have forgotten and, especially, have people forget certain pledges and statements which he made at election time. There are certain historical facts in his political campaigns which it is but right to consign to Hansard, so as to refer to them when the opportunity arises.

There is, sir, an argument set forth by the hon. Postmaster General in his speech, on April 19, last, to which I want to reply. At page 2178 of Hansard, the hon. Postmaster states:

> Our opponents forget also to mention that, under their regime, in 1905, farm products sold cheaper than they do to-day. Pork sold at $5 per cwt. and hay at $4 and $5 per ton; poultry 50 cents a pair.

What a fine argument, sir, for a person who contends that he is in earnest and what a consolation for farmers who are obliged to practically give away their products now! The scope of such an argument is unbounded, the hon. Postmaster General might just as well have gone back to 1832 and stated: "A hundred years ago the price of farm products was less than to-day." He might have gone as far back as the deluge! However, what does it prove, and especially, what relief can this afford to farmers? I trust that the hon. Postmaster does not look upon farmers as idiots; I hope that he is aware that farmers realize that 27 or 28 years ago, if the price of farm products was about the same as that of to-day, the purchasing power of the Canadian dollar was greater than at present. The farmers are aware also that the taxes they paid 27 or 28 years ago, were ten, fifteen or perhaps twenty fold less than now. The farmers equally know that in 1905 labour was cheaper, that the price of necessities such as farm implements was much less than to-day, in 1905 or 1896, the rate of interest on farm loans was lower than now. Therefore, I think it is childish to say to farmers, as a small compensation: "Cheer up, do not complain, the prices of commodities are about the same this year as they were in 1905 or 1896."

Instead, sir, of having to resort to such arguments and discuss Quebec's provincial affairs in this house, our friend, the hon. Postmaster General, who likes to pose as an expert in farm matters, would be well advised, with the help of his Quebec colleague, the hon. Minister of Marine (Mr. Duranleau), to formulate an agricultural policy, one agreed upon and definite, thus brushing aside the hon. Minister of Agriculture (Mr. Weir) who, to my mind, seems helpless to devise one himself. While our Quebec cabinet members busy themselves in petty and insignificant political squabbles, while they waste their time in ordering dismissals or discussing party questions with reference to political favours, our western friends who are organized and well represented in the house, help themselves to the treasury funds.

Mr. LAFLECHE (Translation): They have been doing so for a long time.

Mr. BOULANGER (Translation): Let me point out to an incident which recently happened in my county and which proves that our western friends, thanks to their excellent organization and the fighting spirit their worthy representatives display in the house, have practically emptied the treasury; there does not even remain a paltry $1,000 for the Quebec farmers. A few days ago, the municipal council of the small settlement of Ste. Sabine, in the upper part of my county, along the Maine border, wrote to me to inquire whether it would be possible to obtain $1,000 to purchase seed grain for the poor settlers of the parish. This parish was settled about ten or fifteen years ago; the farms are not yet in an advanced state of cultivation and the returns are not sufficient to afford a livelihood to those on the land. Previously, these settlers worked in the lumber camps, across the border, however, within the last few years, the United States government has closed the frontier to Canadian woodcutters; the result is that farmers from Ste. Sabine, as well as those from the surrounding country, are now destitute. The municipal council forwarded to me a resolution requesting a grant of $1,000. This is not a large amount, $1,000 only, to relieve these poor settlers, at Ste. Sabine, when compared with the ten or eleven million dollars paid as a bonus on the western wheat or again with the fifty million dollars or thereabouts expended in the west to relieve the farmers and guarantee the bonds of the western provinces, which are practically bankrupt. I referred this matter to the Minister of Agriculture and the director of unemployment. The following is my letter to the latter:

Ottawa, April 12, 1932.

Mr. Harry Hereford,
Director of Unemployment,
Ottawa.

Dear Sir,—

I have the honour to enclose a copy of a resolution from the Municipal Council of Ste-Sabine which was forwarded to me by Mr. Edmond Mercier, secretary-treasurer of the council.

As you will note by this resolution, the farmers of that parish request a grant of $1,000, in order to purchase seed grains.

I suppose that such a request can be granted pursuant to the special Unemployment and Farm Relief Act (ch. 58, 1931).

The parish of Ste-Sabine is a settlement where the land has not yet been sufficiently improved to afford a livelihood to the settlers. Formerly the farmers of Ste-Sabine worked, in winter, in the lumber camps of the state of Maine, they earned enough to purchase their seed grain. For the last two years, the United States have completely closed their frontier and, owing to this, distress prevails now among the Quebec parishes along the frontier.

I wish to strongly support the request of the settlers of Ste-Sabine, and let me assure you that by granting this request you will be performing a good deed.

Yours faithfully,

Oscar L. Boulanger, M.P.

My letter to the hon. Minister of Agriculture being similarly worded, there is no need of reading it. I shall now read the answers.

The first is the answer of the director of unemployment:

Ottawa, April 15, 1932.

Mr. Oscar L. Boulanger, M.P.,
House of Commons,
Ottawa, Ont.

Dear Sir,—

I wish to acknowledge your letter of April 12, enclosing copy of a resolution of the parish of Ste-Sabine, referring to a grant of $1,000 which the municipal council request in order to assist the farmers in purchasing seed grain.

This is not a matter which can be dealt with pursuant to the agreement concluded with the province by virtue of the Unemployment and Farm Relief Act. However, I think this matter is entirely relevant of the provincial authorities.

You are aware, no doubt, that the Dominion government has concluded an agreement with the province in connection with the measures to be taken to relieve unemployment. However, this agreement does not cover such matters as the purchase of seed grain.

Kindly accept, sir, the assurance of my highest consideration.

Harry Hereford,
Dominion Director.

The letter of the hon. Minister of Agriculture is as follows:

Ottawa, April 16, 1932.

Mr. O. L. Boulanger, K.C., M.P.,
House of Commons,
Ottawa.

Dear Mr. Boulanger,—

I received your letter dated the 12th inst. enclosing a petition from the farmers of the municipality of Ste-Sabine who request a grant of $1,000 so as to help them in purchasing seed grain.

Unfortunately, we have no fund from which we could draw to give this kind of relief. Moreover no distribution of seed grain is made by the Dominion government. I would invite you to advise your correspondent to communicate with the provincial authorities on this matter.

Yours faithfully,
R. Weir.

I do not know, sir, pursuant to what agreement or understanding our western friends succeed in obtaining seed grain and I am wondering why this agreement favouring the western farmers does not also apply to the eastern farmers. If the hon. ministers who represent us in the dominion cabinet would bestir themselves in the interests of the Quebec farmers, it seems to me that we could obtain the same advantages as those granted to other sections of the country. I note by this correspondence that it has become a habit with the Dominion government to throw the blame on Quebec. I thought at first that it was the hobby of a few young back benchers on the government side, but I discover that our hon. friends, the Postmaster General and the Minister of Marine are also playing this game and endeavour to saddle the errors and blunders of the Dominion government upon the province of Quebec. It is more than time that Quebec should be left in peace; I think the Dominion government has enough serious and difficult problems to deal with and to occupy the great intellectual powers of the cabinet. They could devote their entire time, resources and ability to settling the problems which necessarily befall them; and allow Quebec to look after her own affairs, without interference.

Furthermore, the latter has shown that it was able to manage its own affairs. Quebec has given evidence of moderation and common sense, it proved this in the last provincial election by again reposing its confidence in statesmen who may have erred in the past, but who have the interests of the public at heart and offer guarantees of integrity and ability.

Do not interfere with Quebec and she will continue to set the example to others, to trace the path and lead the way. The other provinces of the Dominion would be well advised to follow in her footsteps and manage their affairs as she does; if they had followed her example, perhaps we would be better off.

Mr. ST-PERE (Translation): We do not come to Ottawa to beg.

Mr. BOULANGER (Translation): The other day I extended my congratulations to my friend, the hon. member for Dorchester (Mr. Gagnon). Again, to-day, I do so, on the score of his having set aside the habit of belittling his province. He is clever and he soon discovered the errors of his ways and ceased following in the footsteps of those on the government side, who cannot rise in the house without saying something disagreeable about their province. While I am referring to my hon. friend, the member for Dorchester, he may perhaps allow me to make some suggestion to him. He requested the other day the cooperation of the opposition. He stated that the cooperation of those sitting on your left, sir, was needed, that the cooperation of all men of good will was required to save agriculture, which he admits is greatly in distress. However, I well recall what the right hon. Prime Minister (Mr. Bennett) stated a short while ago, when he exclaimed in an angry tone:

It is not the opposition that rules in the house, it is not the minority but the majority.

I am therefore compelled to advise my friend, the hon. member for Dorchester, to make his suggestions, which are excellent ones, I admit, to the right hon. Prime Minister and his cabinet.

With reference to pledges made to farmers by hon. members opposite, may I, sir, consign to Hansard a statement made by the hon. member for Three Rivers-St. Maurice (Mr. Bourgeois), in the course of the election last August. The hon. Postmaster General was discussing a bonus on butter, but the hon. member for Three Rivers-St. Maurice went one better than him by promising a bonus on cheese. According to "La Victoire" a newspaper published solely for the occasion, since its issue has been discontinued; our hon. friend stated.

On August 8, 1931, at Three Rivers—evidently the following are his words, since a friendly photograph of him adorns the first page—

If you will put your trust in me, and favour me with that share of influence which necessarily will result from an election under the present circumstances, I shall work with all my energy to obtain from the Dominion government a bonus on cheese made in our rural sections, thus fostering the dairy industry which forms the basis of our economic agricultural system.

May I inquire from my hon. friend who is listening, also from the hon. Postmaster General who is in the house, what has become of this famous bonus on butter and cheese?

Mr. ST-PERE (Translation): Carry out your pledges!

Mr. BOULANGER (Translation): Since we are discussing the Three Rivers' election, may I refute the statement often made—I think the hon. Minister of Marine repeated it in the house, last Thursday—that the Three Rivers' election was an endorsation of the government's policy. Well, to contradict this assertion, I have but to quote the newspaper to which I have just referred and in which I see in large head lines, covering the width of two pages, the following:

We shall discuss politics in four years, for the present let us vote for Bourgeois and the government.

We must conclude, therefore, if no mention of politics was made, if the electorate was not called upon to vote on the government's policy, the people evidently could not approve of that policy. To explain these large head lines, two paragraphs follow. One appeals to the business men:

We, in business, feel the reaction of this far flung crisis. There should be no question of politics in this election. Our business and interests take precedence. We shall talk politics when business has picked up.

And just next to this paragraph the other appeals to property owners.

Property owners we are burdened with taxes—

Mr. ST-PERE (Translation): And to be sure we are aware of the fact!

Mr. BOULANGER (Translation):

—the government invites us to cooperate in carrying out works. It places unlimited amounts at our disposal. Let us not send to Ottawa an enemy of the government, but Bourgeois, the friend of ministers, he will get us our quota of the public funds. Our interests take precedence over that of politicians.

I repeat it, sir, our opponents did not discuss politics, they did not request the people to give their verdict on the policy of the government. How can they, to-day, state that the government's policy was approved by the people in the Three Rivers-St. Maurice election.

Mr. LAFLECHE (Translation): It cannot be so!

Hon. E. B. RYCKMAN (Minister of National Revenue): Mr. Speaker, I am sorry that at this late stage in the debate I find it necessary to take part. Such would not have been my plight had I been present at the time the hon. member for Shelburne-Yarmouth (Mr. Ralston) made his speech and proposed his amendment. Had he been interrogated across the floor of the house I venture to say he would not have made the misstatements which were made and upon which he hinged his argument. That those misstatements were grave there is no doubt, and I cannot possibly realize how the hon. member could have made them. I refer only to the tariff and currency features of his address. The Department of National Revenue was brought into this debate in no very commendable manner. I am sorry the hon. member is not in the house, because he will find himself in the unfortunate position in which I found myself. I must say, however, that the alleged facts which he presented to the house were, in many respects, wholly wrong. I realize that in connection with tariffs he and all about him protest against the artificial barriers formed by the tariff and its ill considered increases, and suggest that it is manipulated. That is not the worst of it; he says we juggled with the currency. Page 1894 of Hansard for the present session discloses that the hon. member had before him an order in council and a survey of the facts. He states emphatically that on September 28, a date soon after England went off the gold standard, an order in council was passed providing the value for duty purposes. But he is not content with that statement. Later on in a cross-fire

with the Minister of Trade and Commerce (Mr. Stevens) at page 1912 he says:

No, you issued an order in council fixing the exchange at $4.86⅔, and then changed it next day.

Again on that page he says:

And you changed your mind again.

Referring to the same alleged order in council, Mr. Speaker, there was no order in council of the 28th of September. The hon. member refers to "juggling"; if he could juggle with these orders in council that he had before him when he made his speech and produce one of the 28th of September, I should have nothing to say.

Mr. YOUNG: What was done?

Mr. MACKENZIE KING: On what authority did the minister act?

Mr. RYCKMAN: The minister did not act; that is the point. The ministry acted on the 29th of September and passed an order in council. It did not revoke what had been done before. It provided that the pound should be as the pound has ever stood since this trouble, at $4.86⅔; and the value for duty ever since, notwithstanding what the hon. member said, has been and is to-day $4.86⅔. To make such an attack and embody it in an amendment, in effect saying that we walked up the hill and then walked right down again, when there was no foundation whatever for the statement, seems to me to be something that an hon. member who values the good opinion of this house should not indulge in.

At page 1894 the hon. member said that that was not all, that we passed an order in council to the effect:

We will not hold sterling up to $4.86⅔, but we will hold it up to $4.40.

That has no relation to the fixing of duty in the ordinary sense, and the hon. member must have known it.

Mr. YOUNG: Had it any effect on the duty paid?

Mr. RYCKMAN: It had no effect whatever, and never has had, except on the special dumping duty. It had on that, but that is not what the hon. member said. He led the house to believe—you cannot read it in any other sense—that that was for fixing duty as determined by order in council in the ordinary course of business between Canada and England.

Mr. YOUNG: It had an effect on the amount of duty collected.

Mr. RYCKMAN: As I have stated, it relates to the special duty. It takes on an altogether different complexion when you consider why that was done, but he did not tell the house, and no one seemed to be anxious to interrogate him or to find out the facts. At the time the order was made fixing $4.40 as the value of the pound on the 23rd of October, general business in England had improved, so had wholesale values, and in dealing fairly with England we were bound to fix the value in the neighbourhood of $4.40. I heard with pleasure Sir Josiah Stamp address members of parliament not so long ago in this building. He said at that time, as I understood him, that the increase was about 8 per cent. I have read myself that the value as fixed by a writer in The New Republic was something over 7 per cent. In those circumstances plainly a change had to be made in a proper accounting for dumping duty. What was done? We favoured Great Britain and took off 10 per cent. We have been told since that 8·8 would be an accurate estimate. We deducted 10 per cent off the pound and called it roughly $4.40. That was used for dumping duty and for nothing else, notwithstanding the express statement of the hon. member for Shelburne-Yarmouth.

Then he objected to the blanket power which he said we have. At this session we seem to be troubled very much with blank cheques, blanket power and so forth. It is amusing to me when I consider how our tariff policy is belaboured by our hon. friends opposite. The tariff power we have is no more than that exercised by those who preceded us. It is no more, except in detail, than was evolved from the principle laid down by the Right Hon. W. S. Fielding himself when in 1904 he put on the dumping duty and explained it very fully in his budget speech. The principle of that duty, which is objected to so strongly by many hon. members opposite, is distinctly of Liberal origin. It has been developed under Liberal governments. It is no different now from what it was at any time during the Liberal régime, except for the slight amendments made last session and the session before. Therefore, when objection is taken to the powers of the governor in council, or when it is said that the Minister of National Revenue is acting too widely when he acts under the order in council, it is just simply hitting at what was done by the Liberal government. I do not think there is any one who will say for a moment that what has been done has not been done with the intention of making it applicable successfully to business in Canada. That it

has brought about success there cannot be any doubt whatever, as I hope to show before I am through.

Mr. MACKENZIE KING: Under the Liberal legislation did the law extend beyond the application to natural products?

Mr. RYCKMAN: Yes, it did; my right hon. friend must remember that fir doors are not natural products, and when he was Prime Minister action was taken with relation to fir doors, as the ex-Minister of National Revenue (Mr. Euler) can tell him.

Mr. EULER: My hon. friend states that there is no difference in principle between what is done now and what was done then. Would he not say that the power to fix values which the minister now exercises has no limits? The government can fix values for duty purposes at any figure they please, four or five or ten times the invoice value, whereas under the old law the price in the country of origin was the basis and could not be exceeded.

Mr. RYCKMAN: Not with regard to items such as were fixed by my hon. friend's government not so long ago. As I recall it, the order dealing with fir doors fixed the rate at 77½ per cent.

Mr. YOUNG: That was not an order in council.

Mr. RYCKMAN: Yes it was; I beg my hon. friend's pardon.

Mr. MACKENZIE KING: Will my hon. friend give a definition of dumping as it was under the Liberal legislation and as it is at present?

Mr. RYCKMAN: I can give this definition, given by the Right Hon. Mr. Fielding himself, who said that it was a special duty or what might be called a slaughter duty. My right hon. friend will find that statement made—

Mr. MACKENZIE KING: That is a designation, not a definition.

Mr. RYCKMAN: —in 1904. But on the tariff side as well as on the currency side my hon. friends are finding fault with what was put on our statute books at the instance of the Right Hon. William Fielding, who was regarded as their patron saint.

Mr. EULER: That is far-fetched.

An hon. MEMBER: Be fair.

Mr. RYCKMAN: That is the fact. In addition to that, the hon. member for Shelburne-Yarmouth (Mr. Ralston) said that we were sitting over in the east block so that we might fix values; that we were fixing valuations for duty purposes in connection with all these cases, and he refers to a list quoted at page 1895 of Hansard. Looking at that list, I am very much surprised that the hon. gentleman should have mentioned these articles. The first is sheets of iron or steel; no action such as he speaks of was taken with relation to that. Fruits and vegetables: Yes; and the former government took action in the same way, during the years 1926, 1927 and 1928. Common and colourless window glass: We fixed no values; we took them off, so that the statement in that connection is incorrect. Fir doors: The government of the right hon. the leader of the opposition (Mr. Mackenzie King) showed us the way, as appears from order in council P.C. 80/2398, passed on December 21, 1927. We did the same thing and did it more effectively and with better results. High-starting torque silent type electric motors: No action whatever was taken in the way suggested, or in any other way. Then, to fill up space, mention is made again of sheets of iron or steel: No action was taken by the government, as I have pointed out. Sugar above No. 16, Dutch standard in colour: No action was taken by the governor in council or by the minister. Single ply veneers of cedar: Action was taken by the department after investigation in the home market as to what was the home market value, and that was all. No action was taken by the minister or by the governor in council. Cotton fabrics and artificial fabrics: Action was taken, but not under the British preference.

At the close of this section of the hon. gentleman's address he referred slightingly, as I think one must gather, to thumb tacks and furniture nails, cotton wiping rags, pot cleaners and baby pants, described as sheet rubber goods, and lamp shades, electric lighting fixtures, and so on. Now I desire to read a few letters to show what the business people of Canada think. I will take, first, thumb tacks, in regard to which the hon. gentleman made some facetious remarks. I have here a letter from the Dominion Tack & Nail Company, Limited, of Galt, addressed to myself and signed by the Secretary-Treasurer, Mr. C. M. Taylor. I can read only extracts from this letter, because I have a good many letters which I should like to quote from.

> We thought you might be interested in learning the effect which the fixing of these values on our products has had on our business.
>
> Previous to these values being fixed, and owing to large importations of these tacks from

Germany at prices which were, in some cases, little more than the cost of our raw material, the part of our plant manufacturing these lines was operating only thirty-five to forty hours per week, at a reduced scale of wages, and with a very reduced staff.

From surveys which we had made, we found we were getting only a very small portion of the Canadian market, particularly on thumb tacks, and what business we were getting was resulting in a loss to us owing to extremely low prices. We were actually selling thumb tacks in Australia and New Zealand at higher prices than we could obtain in Canada.

The plant and machinery making furniture nails and thumb tacks represents an investment of approximately $75,000 and the equipment is sufficient to take care of the Canadian market. Unless we had received protection now given us when we did, we fear this investment would be practically idle now and certainly a number of men would be out of employment.

We have made no upward revision of prices on thumb tacks, but rather have been able (in anticipation of increased volume) to reduce our prices slightly. The consumer is paying the same price, or less, for these tacks, although, naturally, certain importers (with no investment to speak of) are possibly paying a little more than the former absurd importation price.

We therefore wish to take this opportunity of thanking you and of complimenting you, and the government you represent, for taking the necessary step to protect Canadian industry and the employment of Canadian men and women.

Mr. YOUNG: Did I understand the minister to say that no action was taken with regard to fixing values for duty purposes on sugar?

Mr. RYCKMAN: None such as described.

Mr. YOUNG: I have here a bulletin—

Mr. SPEAKER: Order.

Mr. RYCKMAN: My hon. friend may be referring to the action which was taken with regard to refined granulated sugar, which permitted of six thousand farmers being employed in the sugar beet industry. That action was promptly taken by the government, but that has no relation to the subject mentioned by the hon. member for Shelburne-Yarmouth.

The following letter was received from Arrow-Hart and Hegeman (Canada) Limited:

Toronto, Ont., April 20, 1932.

Hon. E. B. Ryckman,
Minister of National Revenue,
Ottawa, Ont.

No doubt it will be of interest to you to know that the Arrow-Hart and Hegeman Electric Company of Hartford, Conn., who have been exploiting the Canadian market for the last twenty-five years with merchandise manufactured in the United States, decided in December, 1931, to manufacture within the British Empire and picked Canada as the seat of their operations.

We are now established here under the name of Arrow-Hart and Hegeman (Canada) Limited, with office and factory at 310 Spadina Ave., Toronto; production in this plant starting March 1, 1932.

Previous to the establishing by your government of the values for duty purposes on wiring devices, it was not felt expedient that we take this step. However, since these values came into effect, it became absolutely necessary, if the American company wished to protect the business they had at that time in Canada.

We are very anxious that you do not assume that these values for duty purposes are having a tendency towards enhancing prices of this class of material to the consumer. This is not the case. The prices established by our company are strictly competitive with other Canadian manufacturers long established here, and in some instances are lower than the present domestic selling price in United States.

The Canadian company, at the present time, is employing approximately thirty hands, all of whom are Canadian born with one exception, that of the factory superintendent, and quite naturally, our employment of Canadian labour will continue to increase.

Being aware of the attitude of the Prime Minister and yourself towards the policy of attracting industries to Canada, I thought you would be interested in having before you a voluntary letter giving tangible evidence of the fruits of your policy.

That letter is signed by the managing director of the company. Under date of April 21 I received a letter from the Amalgamated Electric Corporation, Limited, of Toronto, manufacturers of wiring devices. It reads in part as follows:

We have been enabled to obtain our porcelain and bakelite parts within Canada and have transferred all moulds and had new moulds made up for both porcelain and bakelite parts which heretofore was entirely imported, and in doing this help make it possible for the Hamilton potteries to set up to manufacture this type of porcelain in Canada.

We have made up dies and tools for metal parts formerly imported, and whereas our purchases of such parts formerly amounted to approximately $125,000 per annum, they now are practically nil.

Our business is greatly affected by volume of building, and although this volume is now down to approximately one-third of the regular building program, due to developing our own lines and making in Canada instead of importing, we have been enabled to keep our entire factory staff (and in fact add a small number) with very little loss of time to our employees, while we can truly state that under former conditions —that is, the flooding of the Canadian market with foreign-made devices—our plant would not be in operation this year.

It may surprise hon. members, but the fact is that there are in Canada eleven concerns engaged in the production of wiping rags. The principal competition in this commodity comes from the coolies of China and Japan. It has been stated that the rags which come from those countries are not of the best as far as

good health is concerned, and there is no doubt that they were destroying the home market.

Mr. YOUNG: On whose authority does the hon. gentleman say that?

Mr. SPEAKER: Order.

Mr. RYCKMAN: If my hon. friend prefers the dirty rags from China and Japan, he can have them.

Mr. YOUNG: That is not answering my question.

Mr. RYCKMAN: Upon investigation by the officials of the department it has been found that this industry is expected to employ three hundred men whereas previously they employed only two hundred. This will prove to be an important contribution to the relief of unemployment.

Mr. STEWART (Edmonton): Are they employing three hundred?

Mr. RYCKMAN: They said they would.

Mr. YOUNG: Oh, oh.

Mr. RYCKMAN: My hon. friend laughs, but I have found that these gentlemen tell the truth. I have found that they do not overstate the facts. In connection with women's and children's clothing, I received a letter under date of April 21 from the Canadian Association of Garment Manufacturers. The letter reads in part:

> During the time when these goods were flooding the Canadian market a number of Canadian factories had to close their doors. Since the regulations fixing higher values on these goods have been in effect many factories have reopened and others have taken on large numbers of additional employees. In addition to this the cotton mills in Canada, who had lost most of the raw material requirements of the Canadian trade, have taken on hundreds of extra employees and some of them are now running three shifts, twenty-four hours a day.
>
> These regulations have had a very definite effect on the unemployment situation in Canada. They have given additional employment to thousands of people.
>
> It is a fact that, owing to the greater volume of Canadian business which manufacturers in Canada have been able to obtain, they were able to reduce their prices and we believe it can be shown that the consumers are buying ready-made cotton dresses as cheaply to-day as before this regulation was put into effect.
>
> We believe the retailers, even those who had previously been buying these dumped goods from the United States, are entirely satisfied with the present situation. These fixed values have been of advantage to manufacturers and retailers and have given increased employment to thousands of workers without increasing prices to the consumer.

I have other letters, both before me and in the office of the department, which I could read. These letters which I have read were not picked out, but were quoted simply to show the true condition in connection with certain items referred to by hon. friends opposite.

Mr. POWER: If the hon. member reads many more it will be found there is no unemployment in Canada.

Mr. RYCKMAN: These letters should demonstrate that an effort is being made to stop the importation of goods which are of no benefit to the consumer and to give to the manufacturer of Canada the right to sell his goods in this country. Only this morning I received a letter from the Dominion Textile Company Limited, and hon. members know the attitude taken by this company. If I had the time I should be glad to read this letter to the house. I received another letter from a concern manufacturing sheet rubber goods stating that this fixed valuation had given them a chance to do business without the necessity of increasing the price to the consumer. I have been very particular to see that there shall be no increase in price. However, these manufacturers are honest men; many of them were doing business at a loss and it was not necessary to ask them to engage in a special agreement as to prices; they voluntarily offered to protect the consumer. There is just as much assurance that these men will keep their promise as there is that hon. members will keep theirs.

A short time ago I was approached by a gentleman, who shall be nameless, who wanted to import misses' dresses from Czechoslovakia. These dresses could be manufactured very theaply and the value for home consumption would be ordinarily about one dollar, but if ten thousand dozen were taken they could be sold for thirty-three and a third cents each. The real value would have been $120,000, but this gentleman would have had to put up $40,000 to obtain these dresses. However, the tariff regulations prevented his flooding this country with ten thousand cheap dresses. I do not think any fair-minded man will say that the action taken was not the right one. It might be said that this is similar to the hypothetical question asked by Mr. Fielding when introducing the dumping principle. He said: Oh, some will object: but why should we not get cheap goods? Yes, he said, if we can have a continuance of the cheap goods; if they will enter into a contract for fifty years to furnish us with cheap goods, all right, but the moment this

supply dries up, then you pay and you pay heavily. It will be said that the transaction which I instance of the dresses means a tariff increase of 200 per cent. That is so. If hon. members are in favour of keeping out those dresses, then they are in favour of a tariff of 200 per cent, and if they are in favour of a tariff of 200 per cent, then they will find that the cases cited by the hon. member for Shelburne-Yarmouth (Mr. Ralston) simply move out of the picture because they are not to be considered. They are in the same class as the misses' dresses, to which I have referred.

Mr. YOUNG: What value did the minister set for duty on those dresses?

Mr. RYCKMAN: That point was not reached. They never came in. On page 1897 of Hansard a list of goods is given with apparently very high duties and the hon. member says:

> I need not say those figures include sales tax, excise tax, the exchange rate and the arbitrary fixing of the value for duty purposes by the Minister of National Revenue.

I wish simply to say that I had nothing to do with any of those items, so I think it is unfair—

Mr. STEWART (Edmonton): Who fixes the price for duty purposes?

Mr. RYCKMAN: —in eagerness to make out a case, to utter, with regard to a member of the government, statements which are wholly untrue.

I should like to point out that the principle laid down in the amendment was not followed by my hon. friends opposite when they were in power. We have heard the comments upon it. When they are in opposition they are against the tariff; when they are in power they keep the tariff going. The general trend of the tariff is pretty nearly the same with hon. gentlemen opposite as it is with the government at the present time, and I venture the assertion that if by any chance a Liberal government had been in power when England was driven off the gold standard and when we had this pressure in the sale of distress goods, action similar to that taken by this government would have been taken by them or, indeed, by any government that had the interest of Canada at heart. If hon. gentlemen will visit the office of the Department of National Revenue, I can show them lists of houses that are selling or trying to sell nothing but distress goods. If prices are kept down—and no one is complaining that they are too high—and if employment is given to Canadian men and women, surely it is in the interests of the country to follow this line of tariff protection inaugurated by a great Liberal and carried on by a great Conservative.

I would also point out that this method of dealing with the currency springs from the time when the Right Hon. W. S. Fielding was Minister of Finance. If hon. members will turn up the statutes of 1922 and look at chapter 18, they will find he was wise enough to establish the structure—and pretty complete it was too—of the present proceeding in relation to currency.

It is suggested in the amendment that the action taken by this government has been detrimental to the interests alike of producers, importers, distributors and consumers. They have inserted the middleman twice; they have left out nobody; they say that this plan is a benefit to no one. I am fairly familiar with inquiries that have been made of me as to the attitude of the chain store people and others who are willing to import as long as they see a chance, if they can import, to make at the expense of the Canadian consumer a handsome profit on the imported goods because of the distress in the country from which they come. That is contrary to the policy of the Conservative party, and I believe also to that of the Liberal party. I must add this: I have heard complaints, as I am sure others have done, of those in our towns and cities who have had to close up their shops because of the chain store, because of its immense buying power, because it can go to a man who, on account of some driving exigency, must have the money, and compel him to sell his goods to it at less than their value. Hon. members know that sort of thing takes place. The condemnation of the chain stores, which at one time subsided somewhat but perhaps has been revived on account of the hard times, is that it was felt in the hearts of people that they were losing out because there was in the business a bigger man with more money who could undersell them. These big institutions can go to countries where they can buy goods for a fraction of their cost. The case I cited was one-third with 200 per cent. There are cases of ten per cent; I know of one case of 25 per cent discussed with me. Those of us who have found in towns and cities that the chain stores have driven out popular business men who simply could not continue, ought to say: We are not now going to give some special privileges or lay down any of these barriers that have been erected by a former government and by this government to prevent the importation of goods which are not being merchandised in accordance with good faith in business. This government stands for

that; it is what we have tried to do and I know we have had success in doing it. Some are dissatisfied, because of course one cannot please everybody, but I am of opinion that businessmen who are asked to decide what should be done would not think for a moment, after September 21, when England went off the gold standard, of allowing any man with money to buy large quantities of goods, as the hon. member for Shelburne-Yarmouth said, at the rate of five shillings worth for a dollar. These people were intent on buying the goods; they would have brought them in and our concerns would have been put out of business. I am thoroughly convinced that if one month had gone by without our taking refuge in our statutes, originating as I have indicated, the country would have suffered and most likely have become bankrupt. I could elaborate the matter further, but I think from what I have said my attitude with regard to it will be understood.

Before I sit down there is one other subject to which I wish to refer. I believe in every man having a fair chance in business so far as it is possible for any government, especially a Canadian government, to give it to him.

I wish to say a word about the ten per cent cut. I think it can hardly be said, if I may mention a personal matter, that I ever cut anybody's salary, and I was opposed to this cut until I thought about one compelling thing, but now, Mr. Speaker, I am of the opinion that the best thing that this government did in the way of the budget, and this is not language of exaggeration, was introducing that cut, and I will tell the house why. There has been brought about by that cut a special sense of real financial responsibility that goes throughout the whole civil service. The cut is from the Prime Minister down, and there is an attitude now towards expenditure such as there never was before and which never could have been brought about except for that cut.

Mr. SANDERSON: Is the minister in favour of the exemptions?

Mr. RYCKMAN: I will tell you that when the voting comes. But in case that answer is too short, I will say that I am in favour of everybody paying who can reasonably be made to pay.

Mr. SANDERSON: That is better.

Mr. RYCKMAN: I have a reservation with regard to the judges but I am not debating that now. I think my argument is a sound one and would carry conviction.

There has been extravagance, great extravagance. This is a country with thirty-one billions of resources, and the thought may have been, why should not one who is employed by this government be generous in expenditures? I have found out since I came here, and it is not by the Department of National Revenue alone that I am judging because I believe that in this respect the National Revenue department is the best of the lot because our estimates are never made up with the idea of getting more than we need but rather working up to what we do need—I have never seen anything like the expenditures that go on for stationery supplies, telephone and telegraph charges. There is no business in the world that would put up with the telegram policy of the government. There is never any thought of sending a night message when it would do just as well as a day message, and long distance telephone calls, no matter how unimportant they may be, are made and carried on without apparently any consideration of length of time—

Mr. SPEAKER: I am sorry to have to interrupt the hon. minister, but he has spoken forty minutes.

Mr. RYCKMAN: I think I have conveyed the idea, Mr. Speaker, that I wished to convey.

Mr. W. T. LUCAS (Camrose): May I be permitted, Mr. Speaker, to join with those who have preceded me in offering my congratulations to the new Minister of Finance (Mr. Rhodes) on the very clear and business-like budget statement which he presented to this house and to the country on April 6. Dealing with the situation under our present system he made an excellent case, and from that standpoint I have very little criticism to offer. He hopes to accomplish what most Finance ministers have done or tried to do, namely, balance his budget, by cutting down services and increasing taxation. It is the orthodox system, but in my opinion it will only tend to aggravate the present very serious unemployment situation with which we are confronted. It would appear, Mr. Speaker, as if there were very few members amongst the two old parties who fully appreciate that important changes have taken place in our social and economic life within the past decade, and that new methods are essential to cope with the changed conditions. I was particularly struck by some remarks made by Mr. Andrew W. Mellon, the new American ambassador to London, when he was speaking before the Pilgrims' Club in London a few days ago He is reported in part as follows:

Mr. Mellon declared that one of the world's greatest difficulties in the solution of this crisis is that those who are left over from the last century still look upon the past decade as merely a prolongation of all that went before. "But really the years since the end of the war were the beginning of a new era. Just as the flames of the French revolution brought an end to the ordered, satisfied world of the 18th century, so the guns of the world war marked another stage in human history."

I am afraid that the Minister of Finance has been following the stern lights of the ship which only light up the past, instead of being guided by the search light at the masthead which probes into the mists which lie ahead, as was so beautifully described by Sir Josiah Stamp, the noted economist, whom we all had the pleasure of hearing a few days ago. May I pause here to thank the Prime Minister for the hospitality and the opportunity which he afforded on two occasions during this session for hon. members to meet two very distinguished visitors from the British Isles, the Right Hon. Mr. Winston Churchill and Sir Josiah Stamp. Listening to the inspiring addresses of these two gentlemen, one more readily realized why it is that Great Britain has played such a dominant part in world affairs. As Mr. Churchill pointed out in connection with the results of the recent British election, perhaps never has the stage been so well set for the successful conclusion of an Imperial economic conference. I am sure that after listening to Sir Josiah Stamp one could not help but feel inspired with new hope and new confidence that with such men working on our complex machine there was at least some hope for the future.

I am not one of those, Mr. Speaker, who believe in belittling the outcome of the coming Imperial economic conference. I think that we have a right to expect important developments. Not only the people of Canada but the people of all parts of the British Empire are looking forward to this conference with the hope of some constructive action being taken, and I think we should serve notice on all those who will take part that they cannot and must not allow that conference to be a failure. The success of the conference will depend largely upon the attitude of those who take part in it. If they meet in a spirit of compromise, each one ready to sacrifice something for the good of the whole, success is assured. If on the other hand, they meet in a spirit of selfishness, with each trying to get something at the expense of the others, the conference is doomed before it ever starts. I would like to say to this government that having accepted full responsibility for Canada, and as they will assume and should be accorded a full measure of credit for whatever success may be achieved, so will they be held accountable if the conference proves to be a failure.

On February 9 last I introduced a resolution into this house asking that a substantial increase be made in our income tax. The principle of that resolution was accepted by the house, and I wish to take this opportunity to thank the Minister of Finance for embodying that principle in his budget. It is true that he might have gone further, and in support of that statement I should like to give a few figures showing the relative rates of income taxation in 1921 as compared with last year and the new tax this year. The figures are for a married man without dependents:

Income	Tax 1921	1931	1932
$ 3,000	$ 40	....	$ 12 00
5,000	126	$ 32	60 90
10,000	619	232	354 90
50,000	9,649	6,704	8,962 80
100,000	32,749	19,064	25,248 30
500,000	318,349	162,952	214,183 20

It will be seen from these figures that there is still a considerable distance to go before we reach the rates in effect in 1921. There is a matter to which I called the attention of the Minister of Finance when discussing the resolution referred to, namely the taxing of bearer bonds at their source. When the budget comes before the committee I trust he will see that provision is made to carry this into effect.

There is another suggestion I should like to make, namely, that during this depression, or as long as the government finds it necessary to keep in force the ten per cent reduction in salaries, tax free bonds in Canada should come under the income tax regulation. If I remember correctly, when speaking on the salary reductions the Minister of Finance argued that this was not actually a reduction in salaries, but simply a contribution for the time being, an effort to help out the country in this time of distress. My suggestion is that the government would not be breaking faith with those who hold tax free bonds, but on the other hand that those people should make a contribution in these times when money is needed. I cannot see why a man who is drawing a wage should have to make a contribution while a man who is living on an income from tax free bonds should go scot free.

Among other expenditures enumerated in the budget statement I find the sum of about $11,000,000 in payment of the wheat bonus. Out of this amount the province of Alberta, from which I come, received the largest share.

I wish to take this opportunity of saying to the Prime Minister that the farmers of the west appreciated very much the wheat bonus, and I hope he will see his way clear to continue it another year. If it could be worked out so that payments would be made on an acreage-seeded basis, this would be fairer, as all those who put in a crop would then be treated alike.

I should like to congratulate the Minister of Trade and Commerce (Mr. Stevens) on the very excellent speech which he made in this debate. The greater part of it was of a very high order and to my mind at least proved that the minister was giving a great deal of serious thought and study to the subject in an endeavour to find a remedy for present ills. It is a hopeful sign when we hear a cabinet minister expressing such views, and he has set an example which might well be followed by hon. members from all sides of the house.

Concerning the amendment moved by the Liberal party I have only this to say: It does seem rather strange that in a time of stress such as we are passing through that great party has nothing to offer but the same old tariff argument which has been before the country for the past fifty years. As has been pointed out already by the hon. member for Acadia (Mr. Gardiner), a Liberal policy was in effect in the year 1930, and yet it did not prevent the depression coming on. The amendment moved from this corner of the house at least presents something new, and offers what we believe to be some constructive suggestions. By the national control of currency it does not necessarily follow, as some people have suggested, a turning on of the printing presses and the printing of unlimited quantities of paper money. As has been already shown in some European countries, that would be calamitous. I think hon. members will agree with me when I say that never in the history of the world has there been such an abundance on all sides, and yet never has the distress been more acute.

More and more the opinion is developing that the root of our trouble lies in our financial system, and the speech of the Minister of Trade and Commerce would indicate that he recognizes that fact. So, Mr. Speaker, believing as we do that finance should be controlled by the people, we have offered an amendment to that effect. If we go back far enough into history we come to a time when no money existed, and what trade there was was carried on by a system of barter. This was a cumbersome method, and could not be applied to our complex system in use to-day. As I understand it, money was first introduced as a convenience for a medium of exchange. I should like to add that the person who first introduced it as such gave to the world the greatest labour saving device which has ever been invented.

The three essentials for the life and comfort of man are food, clothing and shelter. Money, as money, adds nothing to these; we can neither eat nor wear it. It is very necessary however as a convenience, or as a medium of exchange. Instead of keeping it as such we have converted money into a commodity to be bought and sold for profit. And, worse still, we have legislated into the hands of a few people the right to control it. May I be permitted to quote a short excerpt from one of Professor Soddy's works entitled The Inversion of Science, at page 44:

> Democracy, in its struggle with autocracy, has failed to recognize that, of all the prerogatives of government, the issue and regulation of the currency is the first, if not the only essential, and it is not necessary to look further for the cause of its hopeless failure to give to the world a system of humane government. The coining of money can in no sense be defended as a legitimate form of private enterprise. Here at least we may claim to be upon ground that not even the most extreme individualist can dispute.
>
> But passing from theory to practice, we have seen how our inverted ideas are fast making it the only form of private enterprise. Quite unwittingly and because of the confusion of economists between wealth and debt, democracy has given to the financier of to-day powers which never yet in history have been wielded by the most absolute autocrat. Irrespective of peoples and parliaments, kings and cabinets, the control over the manufacture of money has put into the hands of a few men absolute power over industry, and with it the very life of the nation. Industrialized nations are so heavily in debt that industry is being administered as a bankrupt concern in the interests of its creditors, and its primary purpose to produce wealth is more and more becoming secondary to this. Shylock has us all in his grip, scientific men and inventors, black coat and artisan, farmers and labourers, editors and journalists, teachers and professional men—all are being brought under a centralized financial domination. But thought is still free, and, despite the press, let us hope some remnant of it may persevere in our ancient schools and universities.

I do not wish it to be understood that I am accusing our bankers and financiers of being dishonest, nor do I suggest that they are breaking the law. I find my views on this point fully expressed in an address delivered before the Wakefield, England, Rotary Club by W. Bell, an associate of the Royal Institute of British Architects, from which I quote as follows:

> It would be idle to assume that the big financier-bankers are the unregenerate villains of the tragedy of the industrial crisis for our modern Shylocks—both Jew and Gentile—have

every right to manipulate the money market for their own ends so long as we permit them. They are not in business for the good of their health any more than we are. It is the system that is at fault, and not altogether the men who handle it; and I blame the public at large for submitting to such an iniquitous system as the private control of credit, since we are all victims of its unchallenged sway.

It is the system, Mr. Speaker, that is at fault, and it must be remedied if we are to meet the new conditions under which we are now living. Mr. Bell, in another paragraph of his most excellent address, points out that credit is like the sap which flows from the roots and gives life to the tree; interfere with this free flow and the tree becomes sickly and stunted, and if the condition is not remedied it will soon wither and die. Mr. Bell goes on to say.

> The present industrial system may be likened to a tree, the branches of which are capital, labour management, transport, mining, and so on; all of which are useless without the sap of credit which rises from the roots through the trunk of finance to the most distant branches. At present the sap is not circulating from the roots and thus purchasing power is lacking. The industrial tree is therefore languishing because the proper conditions are denied it for functioning naturally. It is suffering from bad circulation of its sap, credit, which is the symbol of life in any healthy tree.

Credit, being the sap of our industrial tree, should not be in the control of any private individual or group of individuals but should be scrupulously guarded and controlled by the state.

We hear a great deal these days about a managed currency. In my opinion we have now a managed currency, but it is managed in the interests of those who control it rather than by the state in the interests of the people. To bring about the changes which we advocate may require some radical departures, it may require breaking well-established precedent. The Minister of Trade and Commerce in his admirable speech stated:

> If we could restore the levels of 1928 for wheat, copper, paper, lumber and fish, we would restore prosperity to Canada.

He states again there must be a stabilization of price levels. That is true. But we must go farther; there must also be established a parity of price levels, in other words a fair exchange value between commodities. If we have to get back to the price levels of 1928 to bring back prosperity, in my opinion it can be brought about only by a measure of inflation; but, Mr. Speaker, if we should again reach 1928 price levels, the then important task before us will be to see that we have a state controlled currency to prevent these ever-recurring cycles of depression.

Sir Josiah Stamp said that every change in the price level means a change in the distribution of wealth. He also stated that the world was not ready to abolish the metallic base for currency at the present time.

The Minister of Trade and Commerce asked the question, on page 1909 of Hansard:

> What is the cause of this drop in commodity prices?

And then he answered his question as follows:

> Prices are expressed in terms of currency and in the leading countries of the world the value of currency is attached to gold. If gold is scarce or is being hoarded, if gold is in abnormal demand for debts, then inevitably commodity prices will fall, simply because people will be anxious to dispose of their commodities in order to secure gold to meet their obligations. We are confronted with this situation, and it is admitted by everyone that gold is scarce.

Now, Mr. Speaker, if gold is scarce, and if Sir Josiah Stamp is right in saying the world is not ready to abolish the metallic base, then the question arises how can we, in face of the shortage of gold, increase this metallic base so we may issue more currency to restore the 1928 price level. My answer is: by adopting the bimetallic base that served the world from time immemorial, and which was only abolished some fifty-five years ago. Even with a nationally controlled currency as suggested in our amendment and in order to meet the world requirements, it would possibly require a metallic base, and so I am going to suggest that the remonetization of silver and a return to the bimetallic standard would approximately double our currency and thus materially improve our present situation.

The hon. member for Weyburn (Mr. Young), speaking in this debate a few days ago, made this statement as reported at page 2123 of Hansard:

> Gold was chosen as the standard of value because in every country, in every age and under all conditions it was the one commodity that men were willing to take in exchange for whatever they had to sell.

I was rather surprised to hear the hon. member make that statement, for I am sure he must know that prior to its demonetization silver was also freely accepted as a measure of value for what people had to sell. It seems almost impossible to reach an agreement amongst the nations of the world as to a new world currency, but may I say that when Britain over a century ago decided to abolish bimetallism and go on the gold standard, she did not wait for the rest of the world, but started out alone, and eventually

the rest of the western world followed suit. And so to-day, I believe, that if the British empire at the coming conference were to take the lead in restoring silver to its ancient and well-established position, it would not be long until the rest of the world followed her example. In 1816 following the Napoleonic wars Great Britain endeavoured to go on the gold standard, but from 1816 to 1873 a substantial portion of the British currency was used in the form of silver. In 1873 Germany collected the French indemnity of one billion dollars in gold bullion and promptly went on the gold standard. In the same year Great Britain and Germany closed their mints to the free coinage of silver, and they were followed by France, Italy, Spain and other countries. As a result in a few years silver was denied access to the mints of the world. This was an arbitrary act and was the cause of the very serious slump in the price of silver. In 1873 the price was approximately $1.30 an ounce; in 1883, ten years after demonetization, it had fallen to $1.11, in 1893 to 78 cents, in 1894 to 60 cents. During the war it jumped again to $1.30, due to the fact that the warring countries of Europe, or as we might say, the countries of western civilization, Europe and North America, had an insufficiency of gold and of course, owing to the war there was a lack of movement of gold, so that they could not make their purchases of supplies in Asia; and silver was once again absolutely essential to the carrying on of business between Europe and the Asiatic countries, and it leaped back to about $1.30 an ounce. But when the war was over it again fell, and in 1920 it had dropped to $1.01, in 1921 it dropped sharply to 62 cents, in 1929 to 53 cents, in 1930 to 30 cents, in 1931 to as low as 26 cents, and to-day it is around 28 or 29 cents an ounce. It will be noted that the price of silver dropped steadily from the time it was demonetized in 1873.

A vast section of the world still continues to use silver as money, but it is not accepted freely by other countries. Silver is still the money of India and of China. India, in part, is endeavouring to use a paper rupee based on gold, but only with a varying degree of success. Not for generations but for centuries the oriental has been accustomed to the use of silver as currency. When Britain in 1893 closed the Indian mints to the free coinage of silver and attempted to force them on to the gold standard it was not received kindly.

Mr. J. F. Darling, who is an authority on the silver question, and whom most of us had the pleasure of hearing last year, said, in part:

> Gold is the rich man's money; silver is the poor man's money; and there is a great disequilibrium between the values of the two metals. How great this disequilibrium is the following figures will show. The relative values used to be, and for hundreds of years, that silver was worth from fourteen to sixteen times that of gold. The value of gold to-day is seventy times that of silver, ratio of production of the two metals has not altered. It is about fourteen to one. There has been given to gold a purchasing power which is much greater than it ought to have, and you have made the other metal, silver, much less. The problem of the world to-day is how to restore equilibrium between those two metals, which are the foundations of the world's economic structure.

And may I quote also a gentleman well known to this house, one of the keenest minds in our public life to-day, the Right Hon. Arthur Meighen. Speaking on this question before the Canadian Daily Newspapers Association at their annual meeting in Toronto last year, he said, in part:

> Mr. Darling is an authority we cannot lightly cast aside, and certainly in support of his principles there may be named many leading figures in the world. Julius H. Barnes, chairman of the United States Chamber of Commerce, is authority for the following words:
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> "The fatal mistake was made of treating silver as a commodity, although it still represented resources and capital and credit to more than half the population of the world. Silver, which had been the standard money of the world for twenty centuries, was in a few months to be treated in the market as a commodity, without mature consideration as to the effect on the initiative and confidence of a thousand millions of people. A price of silver which fluctuated from $1.45 some few years ago to thirty-five cents to-day, and yet symbolizes the credit and resources of great people, could not but harm the business structure of the world."

Mr. Meighen continued:

> Restoration of natural values between gold and silver would undoubtedly right the balance between Orient and Occident and help set going the vessel of the world's industry which is lurching very badly now. The power thus secured to enlarge the world's monetary supplies would undoubtedly tend to an improvement in commodity values, and, therefore, to a return to the old honest relation between debtor and creditor; that is to say, to the relation upon which the debts themselves were contracted.

The Romans fixed the parity between silver and gold legally at 12 to 1, and for several hundred years prior to 1873 Great Britain and France had fixed it at 15½ to 1, so that the relation as to price remained fairly steady throughout the centuries when both metals were on a monetary standard.

When Great Britain attempted to place India on a gold basis, they could not give them gold, but only a gold certificate—which was paper money. The oriental mind looks on paper currency as false, and consequently it

has not been freely adopted. These people want a metal currency which they have been accustomed to for centuries, which they can feel, which they can hoard, bury, if necessary, and which will not deteriorate. Take the case of India and the ornaments which are possessed by the women of that country. It is only in the personal form that the women of India are allowed to hold anything. Prior to 1893 when the British government closed the mints of India to the free coinage of silver, in times of stress these ornaments, which amount to an enormous sum, could be turned into the mint, and they would get value in coin for them; with the low price of silver to-day, they are practically worthless, and it is thought that the low price of silver is responsible for a lot of the unrest in India at the present time. The people of India are in somewhat the same position as the farmers in western Canada, who have millions and millions of bushels of wheat which are of little value. Restore the value of wheat and a lot of the farmer's troubles will disappear. And if the value of silver is restored you will restore the purchasing power of approximately one-half the population of the world and if this were done, in my opinion, a lot of the unrest in India would also disappear. Everyone recognizes to-day that one of our great problems is the question of markets. The western world is so industrialized that each country has a surplus, and as a result we find each country trying to retain its home markets through tariffs while at the same time trying to dump its surplus on the other fellow's market. In the oriental world, which represents half the population of the world, we find possibilities for unlimited markets if only their purchasing power were increased. In this connection I would quote Mr. A. W. Palmer, writing in the Empire Review of London. He says in part:

> It has been worked out that in India alone, if the standard of living there increased by a penny per day, it would mean an annual additional purchasing power of approximately 400 millions sterling. Imagine what that means when the same principle is applied to Burma, Siam and Malaya, and to that country destined to become one of the greatest countries of the world—China. A market totalling another 2,000 millions sterling annually awaits development.

I should also like to call the attention of hon. members of this house to a speech delivered in Vancouver on August 26, 1931, by the Hon. Herbert M. Marler, the Canadian Minister to Japan. A study of that speech will show the tremendous possibilities for the development of trade in that vast country, the orient. If our currency to-day is issued on the basis of the supply of gold, and if you double the base, which is what would happen if we adopted the bimetallic standard, you would double the amount of currency and thus it would be inflation to that extent and would without doubt increase the price of commodities. I know that the Minister of Trade and Commerce has given a great deal of study to this question, and I hope he will see that it is brought before the coming conference for a decision.

I know there is a feeling amongst the members of both the old parties that the members in this corner of the house are visionary, and that, being chiefly farmers, they are not competent to deal with financial questions. But I would point out, Mr. Speaker, that there is now almost a complete disillusionment amongst the people, as to our bankers and big financiers being the omniscient supermen heretofore believed. At this point, let me quote what I consider a gem from the lips of the Right Hon. Arthur Meighen. This is from the same speech from which I quoted a short time ago:

> There are some who hold up their hands in fear at any suggestion which affects fundamentally the vital arteries of currency. Everything in the mind of these people is radical which tends to improve values, and everything is sane and conservative which tends to bring them down. From this mentality—call it what you will, the gold mentality or any other—it is surely time we were rescued. If other remedies can be proposed, let their protagonists come forward, but do not let us sit idly by and proclaim ourselves helpless in the face of a dilemma which we ourselves have created. Do not let us conclude it to be natural and inevitable that men, women and children the world over should be suffering from peculiar and worrying deprivations in the midst of an abundance of all those things of which no worker by brain or hand should be deprived.
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> Someone said not long ago that the world's great bankers had always been right. The world's great bankers are not always right any more than the world's great statesmen or great warriors; but whoever has been right and whoever has been wrong, there has been error, and momentous error, somewhere, or we would not be in the morass we are in to-day. Why should we sit in eternal adulation at the feet of those who have brought us where we are? It seems to me more practical and sensible to clear our minds of predispositions, to analyze our problems at their roots, knowing that something helpful can be done and to find out what it is.

The group in this corner of the house recognize, as does every thinking man to-day, that the old system is not functioning properly, and we are prepared to cast old beliefs and prejudices aside and face the issue squarely. It is only in this way that progress will be made.

Before I close, there is another suggestion which I should like to make, on two grounds: first, on that of economy, and secondly, to improve our parliamentary institutions, the latter being the more important. Everyone is aware of the great interest that is being centred in the other chamber of parliament at present, and I am going to suggest that the time has come to bring in a measure of real Senate reform. The opinion is being strengthened by recent disclosures that some action should be taken if our parliamentary institutions are to hold the respect to which they are entitled. The leaders of both parties in the Senate, at the beginning of this session, stressed the fact that the Senate was and should be a judicial body. With this I heartily agree. But, Mr. Speaker, how can it function as a judicial body when the party spirit is fanned and kept alive amongst its members? We find that both the old parties go to that body for their chief political party organizers. We find senators taking part in political campaigns, and the party spirit is kept at such a pitch that when a matter of grave concern comes up for decision, a decision which may cast a reflection on one party or the other, then that decision is not made on judicial but on strictly party lines. Therefore I am going to suggest, first, as a measure of economy, that our constitution be changed, cutting down the number of Senators from ninety-six to fifty-two, allowing six senators for each province, with the exception of Prince Edward Island, which would retain four as at present. The United States, with a population of 120,000,000, have only ninety-six senators, or two for each state irrespective of size or population. Secondly, to eliminate partyism and get a more judicial body, I would suggest: first, that the dominion and the provinces each have the right to appoint half the number. Secondly, that when a person accepts the position of senator he be disfranchised and not allowed to take part in any political activities, a position similar to that occupied by our judges. Thirdly, that senators be not appointed for life, as at present, but that a retiring age of seventy-five be established. I have not the time to go into details but I believe that if these suggestions were carried out the Senate might serve a very useful purpose as a judicial body and would come to be held in high esteem by the people of Canada.

Mr. ARTHUR DENIS (St. Denis) (Translation): Mr. Speaker, I must, first express my astonishment in seeing our Conservative friends so garrulous, for they deprived us during eighteen months of the pleasure of listening to their speeches. The government must be very unrestful, to be obliged to call upon its followers to help out its policy which has placed the country in such a critical situation.

We must, sir, congratulate ourselves and, at the same time, congratulate the right hon. Prime Minister (Mr. Bennett) for having appointed a Finance Minister which we requested on behalf of the people's rights. We regret, however, that the new Minister of Finance (Mr. Rhodes) has to bear all the economic and unconstitutional blunders committed by his predecessor. The first act registered by his predecessor was to abolish the former tariff commission whose members, with all due deference to our Conservative friends, were better qualified than the Prime Minister to decide upon questions relating to customs. Their advice would have been of great assistance to him, however, he was deprived of it. It is true that, shortly after, he found out his error since he created a new commission similar to the former one. We still await the appointment of its members; no doubt it will come with time. Meanwhile let us be satisfied with the appointment of the Minister of Finance. The Prime Minister is to be congratulated, as he has been very fortunate in his choice. We must now caution the hon. Minister of Finance not to follow in the footsteps of his predecessor; otherwise we are lost and the future of the country is for ever endangered. I am aware that hon. members opposite do not share these views, blinded as they are by party spirit and satisfied with temporarily feeding in the manger.

I listened to a number of their speeches. Their attitude can be explained. They accepted the budget such as it was. A different stand would have compelled them to admit with us that their administration had not been very flourishing, that our national debt had greatly increased since the country was under their régime, that our trade had alarmingly dwindled owing to their high protective tariff, which resulted in helping the manufacturers to realize unfair profits to the detriment of the workmen, whom they threw on the streets, depriving them entirely of their purchasing power. Thus the consumers were burdened with new liabilities and must pay additional taxes to cover the deficit resulting from the protection granted to a privileged class of a protectionist government which, at present, directs our destinies. They would also be forced to acknowledge the deficits which the government must cover by levying new taxes or increasing some of the old ones,

and by adopting a horizontal cut of ten per cent on all civil servants' salaries, excepting those of judges, military men and the Royal Mounted Police—

Mr. LAFLECHE (Translation): It is coming.

Mr. DENIS (Translation): Which is a most crying injustice, a cut which affects far more the small salaried employees than those who are highly paid. They would have to admit also that, to solve the unemployment problem, the government dismissed hundreds of civil servants, and thereby increased the number of unemployed. They would have to admit that in having large amounts voted for works to relieve unemployment, the government acted hypocritically, since it reduced, on the other hand, the regular appropriations by an amount almost equal to the two-thirds of the amount voted for unemployment.

In Montreal, the government discontinued the work in connection with the Canadian National Railways, thus depriving the unemployed of almost $10,000,000, per year, work which was necessary and which was set aside to please the former municipal administration of Montreal which was defeated at the last municipal election. The government also stopped the expenditure of $1,500,000 for repairs to the Montreal harbour.

I could, sir, continue this enumeration, but I shall not do so. It suffices to prove to the house and the country how greatly the Canadian people erred by reposing their trust in those who now govern. Faced with such a failure, what excuses does the government offer? The only one, is that the crisis is world-wide—a contrary statement to that which was made at the last Dominion election. They then pledged themselves to find markets for our products, to bring back prosperity, to give work to all who needed it and, to our dear Quebec farmers, for whom the hon. Postmaster General (Mr. Sauvé) felt a sudden frivolous liking during the electoral campaign, they promised better prices for their butter. They made all these pledges, knowing fully well that they could not fulfil them, but they were intended, however, to deceive the people and capture their votes.

When we, in the opposition, basing our contentions on the budget provisions, blame the government for ruining the country, we are charged with making false representation; the hon. Postmaster General himself charges us with using abusive and regrettable language, when criticizing the government. As far as I am concerned, I have nothing to take back, here or elsewhere. However, may I point out that if such language has been used in the house, the Postmaster General can blame himself. Allow me, sir, to prove this statement. Contrary to what was said in the house, the Liberal party does not advocate free trade. All are aware of this, we are moderate protectionists; we believe in a tariff for revenue to protect not only the manufacturers and industrial interests, as you do, but the consumers who have a right to expect some consideration from legislators. This is called abusive language. The Postmaster General has miscontrued truth in making false statements to help the cause he is championing. This is again regrettable language, for as a member of the government he is held to state the truth. Let me give a further proof; he charged the Quebec government with having enacted in 1922, a measure similar to that adopted last session by this government to relieve the unemployed and farmers. The Quebec government never had a similar measure enacted, it never sought the authority to dispose of enormous sums through a blank signature, or to have recourse to armed force in order to maintain good government, peace and order.

Nowhere, neither here nor elsewhere, can there be found a precedent for such legislation. By this blank-signature act, it is possible to amend the whole of our statutes, and some have already been amended; the prerogatives of parliament have been assailed. The hon. Mr. Taschereau never had such legislation enacted. The Postmaster General's language is abusive and regrettable. Do not interfere, please, with the Quebec government's affairs; if you have petty scores to settle with Mr. Taschereau, this is not the place to do so. You have more important business to look after in your own department, for instance the dismissal of postmasters for supposed active political partisanship. You are better qualified to carry out this petty job than to administer the province of Quebec. The advice can equally apply to the friends who surround you. This discussion on the Quebec government makes you appear more ridiculous than interesting. A word to the wise is enough!

It is true, I have not had as much experience as the hon. Postmaster General, however, like himself, I have never believed that insults and abusive language are becoming a man of good political education. On the other hand, I wonder whether the hon. Postmaster General has a right to lay down principles which are pleasant to hear, and then set them aside at the first opportunity. I will recall the advice he gave the post office employees

a few days after his appointment to the cabinet. "Have no fear, he stated, you will not be dismissed from the service, providing you fulfil your duty." How many of these employees were dismissed, since then, because they had the misfortune of having a Liberal relative, or again, worse, because they carried a red handkerchief in their pocket?

Mr. ST-PERE (Translation): Shame! shame!

Mr. DENIS (Translation): Principles are worth more in their application than on one's lips. Let the hon. Postmaster practise both and his fairness will be greater.

There is, to-day, one fact certain: our country is passing through a very serious crisis. Notwithstanding what the Postmaster General may think, this crisis is more acute to-day, than it was in 1930. It had only begun at that period, in 1932, it has become alarming. Why? Because the government did not fulfil the numerous pledges it made to the people in order to attain power. The remedies which they had promised to apply have not produced the desired effects. What is the result? The patient is worse and they have gained the reputation of being quack politicians. They still criticize the former government which gave the country ten years of prosperity. Do they think that the people will place faith in their word? No, the people have become wise; they are aware that the high protective tariff has been their ruination and that the discordant note sounded by the hon. Prime Minister (Mr. Bennett), in London: Canada First, greatly harmed our foreign trade.

The hon. Postmaster General calls this an economic necessity. For him, international brotherhood is a word void of sense; it should not exist. Countries have no need of it.

I could, however, point out to one case among a thousand, where the hon. Postmaster General thought so much of brotherly love as to suppress his spirit of patriotism even in the administration of his own department.

Mr. ST-PERE (Translation): Shame! shame!

Mr. DENIS (Translation): It is in connection with the purchase of Canadian stamp obliterating machines. His department preferred to rent American machines, paying $18,000 per year, and even more owing to exchange rates, rather than use Canadian machines, acknowledged as superior, since his department has made use of seventy of them, distributed among the various post offices in Canada.

Mr. ST-PERE (Translation): Shame! Shame!

Mr. DENIS (Translation): In acting thus, he obliged this industry to close its doors and throw on the streets a large number of employees. This is what is called Canada First, and helping our industries. In this transaction the hon. Postmaster General took the advice of party lawyers, probably paid by Americans to depreciate the value of Canadian machines, he was the dupe of his friends, and many of our people are unemployed since then. That is his brand of patriotism.

Previous to closing my remarks, sir, may I address a few words to the Minister of Marine (Mr. Duranleau), with reference to his comments on immigration. Before criticizing the Liberal government for having given too much encouragement to immigration and thereby being somewhat responsible for unemployment, I would suggest to him that he read the speeches delivered by his friends, in the house and elsewhere—

Mr. ST-PERE (Translation): Hear, hear!

Mr. DENIS (Translation): —to especially peruse the speech of the chief organizer of the Conservative party, in the last election, the hon. Senator McRae, who wished to bring to this country 300,000 English immigrants each year; also the comments made recently in the house by the hon. Minister of Labour (Mr. Gordon). Had he read these speeches, he might, perhaps, have reproached himself instead of us. If, to-day, immigration has decreased, I do not think that the Conservative representatives of Quebec are entitled to take the credit of this, for what we have noticed about them, since they occupy a seat in the house, is a blind submission to the autocratic will of their leader. Their influence is nil and their presence here will be short. Far be it from my thoughts to trouble their peace, however, their days are numbered. The Canadian people await but the opportunity to cast in the cold shades of the opposition those who deceived them at the last dominion election. The country will have no more to suffer or to pay for their bad administration.

Mr. CHARLES BOURGEOIS (Three Rivers-St. Maurice): Mr. Speaker, I feel diffident in rising to make a few remarks in this debate, but I trust they will be received with the courtesy extended to me by both sides of the house when I spoke at the beginning of the session.

The Prime Minister (Mr. Bennett) is worthy of our congratulations upon his choice of a Minister of Finance. There could hardly be applied politically to the province of Nova Scotia that old biblical quotation: "Can there any good thing come out of Nazareth?" Once more the maritime provinces have made an invaluable contribution to the administration of our dominion. The Minister of Finance, personally, politically and in every other respect, must be considered as worthy of his present position in public life, but his best claim to the praise of this country is in the budget which he submitted to this house with a view to restoring our national affairs to a more favourable financial condition.

In supporting the financial statement of the minister I am only following in the footsteps of the leading men in the industrial life of Three Rivers, which I have the honour to represent. These men have had no hesitation in declaring publicly that the budget recently brought down was a sound one and will be the means of meeting the requirements of our country at the present time. In making this statement I refer particularly to Mr. Thomas J. Tebbert of the Tebbert Shoe and Leather Company; Frank I Ritchie, manager of the Wayagamack Pulp and Paper Company; C. Brownley Smith, superintendent of the Canada Iron Foundries, and W. G. E. Aird, manager of the Wabasso Cotton Mills. The opinions of these prominent business men have been given in the Nouvelliste, a newspaper published in Three Rivers. The hon. member for Champlain (Mr. Baribeau) has quoted these opinions, and I shall not repeat them.

I should like now to express myself in the language with which I am more familiar.

(Translation):

Renowned economists have burnt the midnight oil in an endeavour to fathom the causes of the economic depression which has spread throughout the world and, especially, in what is commonly known as the leading nations.

The causes—which were mentioned here in the house—can be summed up as follows:

1. The world war which upset everything.
2. Overproduction.
3. The credit crisis.

It might be proper to add the hostile attitude taken by Soviet Russia against capitalists the world over; Russia having decided to use all the means at her disposal to become self-supporting. Then we must not forget the disturbance created in England's economic system by the Pan-Indian agitation. The study of the causes which brought about this economic unrest, the effects of which are felt in Canada as in other parts of the world, although, perhaps, not to the same extent as in other countries, was necessary to consider the means to be taken to wipe out or at least attenuate the acuteness of this deplorable situation.

Authorities, better qualified than myself, have pointed out, without, however, being unanimous, what would be the means to relieve this crisis, and more particularly, unemployment. Useless to say that I do not flatter myself with the idea of having discovered a panacea, a cure all for the ills from which our economic system suffers. However, I would deem it unfair, in all respects, were I to omit congratulating the Bennett government, on the measures which it has taken to relieve unemployment. It is no reason, because they have not overcome all the difficulties, of which a number were probably insuperable, because, here and there, errors may have been committed, to deny or underestimate the very great and meritorious efforts made by this government.

They, first, realized—may it please the hon. member for St. Denis (Mr. Denis)—that owing to the condition of our markets, the lack of work, the decrease in wages, it was a matter of great concern that we should not be flooded by immigration, foreigners; that it would be ridiculous to relieve our unemployed, while exposing them to foreign competition. Bearing this in mind, they, by an order in council passed in 1930, took the necessary measures to stop the flow of immigration. The main provisions of this order in council can be found at pages 7 and 8, of the pamphlet "Report of the Department of Immigration and Colonization, fiscal year ending March 31st, 1931."

Similarly, they protected our farmers, by adopting an appropriate tariff and thus prevented an unfair competition from outside, as for instance, the competition carried on by New Zealand against domestic butter. This protection which was urgently needed, was extended to our industries. I have already, in this respect, quoted statements of manufacturers whose factories are located in the county I represent. Let me but add or rather repeat what I stated, when moving the address in reply to the speech from the throne, that, since the Conservative party assumed power, there was established in my county a new industry, the Cellophane Co., and that moreover the Canada Iron Foundries Limited, have since enlarged their plant.

It must, however, be admitted that the paper industry, in that district—we have at

Shawinigan and Three Rivers, a number of mills manufacturing various kinds of paper and employing, in normal times, a great number of people—it must be admitted, I say, that this industry is, at present, greatly affected, and if conditions so far have not improved, it is entirely due to the provincial government.

It is only fair to credit the present administration with having adjusted our balance of trade. Stabilization, we are aware, is what is needed most, at present, in our economic structure. An unreasonable overproduction, added to greatly perfected machinery, were the cause of our storing up large quantities of good of all kinds, an abundance which has, up to this day, been unparalleled; however, the lack of stabilization which is felt, immobilizes, so to speak, this great acquired wealth and prevents its normal distribution. It is only just to credit our government for this rapid adjustment of our trade balance, which, at one time, unfavourably upset and threatened to greatly accentuate this economic embarrassment from which we suffer.

It is a truism to state: the purchasing power of a country decreases when there is an excess of its imports over its exports. The Prime Minister was therefore right in expressing, at the outset of this session, his great satisfaction at seeing matters set right in that respect. This adjustment is due to the foresight and initiative of the statesmanship of the right hon. Prime Minister (Mr. Bennett). He realized and acted immediately, stopping by his tariff an excess of importations, thus protecting us.

The Dominion government has already contributed a lump sum of $26,586,762 to municipal and provincial works, to the building and maintenance of provincial and national highways—Quebec's quota in this grant amounts to $4,642,807.06. But this assistance, notwithstanding its magnitude, did not, we must admit, entirely relieve the economic depression. The time has come to decide whether the government can and must renew the aid already extended. They have, in the past pledged our national credit by coming to the assistance of our jeopardized railways, guaranteeing also their bonds; they have also helped out the western provinces which were in a precarious situation owing to the lack of markets for their wheat. It behooves the leaders of the party in power to decide whether the credit of our country can be further pledged to relieve the present crisis.

It is unnecessary to say, because it is evident that, unless bankruptcy is at our door, the government must in order to relieve unemployment again pledge our credit. This is a most urgent matter, and, as far as Quebec is concerned, I humbly suggest—since I am in no way an economist—that it is mainly in the return to the land that our hopes rest. I have no fear in stating that, in Quebec, the ever increasing wave of emigration towards the cities, and also towards the United States, has resulted in considerably changing the ratio which existed between the towns and the rural sections. I daresay that if we added the figures representing the populations of Montreal, Quebec, Three Rivers, Sherbrooke, Shawinigan Falls, Chicoutimi, Rimouski, Coaticook, Hull and other cities and also large villages, which are to all purposes small towns, the urban population would amount to 75 per cent of the total people of Quebec.

I read in Le Droit, in its issue of Friday, April 22, 1932, the following article, "The Return to the Land," signed by Charles Gautier:

> It is generally recognized that the return to the land movement is the best remedy to the present economic crisis, that it will also be the means to prevent in the future similar crisis, or at least lessen its virulence.
>
> But, apart from the question of crisis and unemployment, farm settlement is necessary in a country where the city population is far too large and where that of the countryside is decreasing every decade.
>
> Mr. Edouard Montpetit recently verified this fact, the ratio is upset between the population of cities and that of the rural districts. In a country where agriculture is the source of its greatest wealth, the rural population is not sufficiently large.
>
> Take, for instance, Quebec. In the course of the last ten years, the total population of the province increased by 513,610. Out of this increase, according to statistics, the cities absorbed 491,047, while the rural sections only absorbed 22,553.
>
> "Our rural population, writes Mr. Joseph Dandurand, in 'l'Action Catholique' has fallen to 36·9 per cent from 44 per cent which it was in 1921; from 51·8 per cent in 1911; from 60 per cent in 1901; from 66.4 per cent in 1891; from 77·1 per cent in 1881; from 80·5 per cent in 1871."

Yet, it is not the number of farms or the lack of land which is at fault. One needs but to travel through a few counties of Quebec to verify that many farms formerly in excellent condition are now fallow land. In many localities a large number of farmers who had settled in the back concessions have left for the cities or the United States.

At six o'clock the house took recess.

After Recess

The house resumed at eight o'clock.

Mr. BOURGEOIS (Translation): Mr. Speaker, when the house rose at six o'clock, I was referring to those who had abandoned the land where they could have earned a livelihood but preferred to live miserably in cities where they increase the congestion. One may argue that the reason they left the countryside was because they could no longer earn a living, the price obtained for their products was too low to permit them to continue farming. I deny the truth of such an argument. In most cases our country folks were attracted, lured to the cities by the hope of finding an easier livelihood. However, it was a deception; too often they met hardships, sometimes ruin, financial disaster, or became physical and moral wrecks.

One should never cease to proclaim the fact that the French Canadian, owing to his traditions, fitness and physical strength, is especially adapted to live on the land, and I have no hesitation in stating it is one of the noblest occupations and most necessary to the existence of a nation. It is as a farmer that the French Canadian contributes his greatest share to the nation's activities.

But what means must we resort to, may be asked, in order to induce the farmer to return to the land of his forebears which he sold often for a mess of pottage, or unfortunately lost. There is no lack, in Quebec, Ontario, or the other provinces, of charitable institutions, philanthropic associations who would voluntarily take charge of distributing relief which might be supplied, they are in a much better position than our government organization to seek the unrooted farmer in cities where he idles away his time, inquire into his former life, his fitness, his means, the members of his family and what help may be expected from them; then through the assistance given by the government, reestablish him on the land where he can build again a home and live in relative comfort. It is all that he can hope for and there is nothing to prove that the farmer, with average ability, possessing health, energy, and leading a good life, cannot find on the land his food, clothes and a shelter.

I have endeavoured to describe, in its outlines the government's past policy which, to my mind, has borne fruit, also, perhaps, its future policy as I see it, and, may I add, as I would wish it to be. The first duty of the state is to balance its budget. This task, the government is fulfilling, notwithstanding our difficult situation. The government must also, in a period of unrest as the one we are undergoing, relieve the sufferings and poverty which necessarily appeal to the public. This task which is strewn with difficulties, because in fulfilling it the government risks burdening too heavily the treasury and, on the other hand, it must also increase the load which the ratepayers have to bear. Those, however, who are at the helm of affairs not only did not shirk this duty but in fulfilling it they displayed a zeal, a capacity for work, a business manner with which the moderate and sound opinion of the public will fully credit them.

There is a limit, however, that the state must not go beyond in carrying out its work, moreover it would be overstepping its bounds: it behooves the government, not to so mould the minds of the people that they will be prone to expect everything from the state. In alluding to this conception—which I think only right—of limited state interference, I have no intention to give a warning to the government which I support and in which I have faith. A government which is conservative and gives protection as this one does, can give rise to no fear that it will break the most cherished traditions of its party. What I wish to point out, is the part that, under present conditions, the people themselves have to play in their own sphere.

I referred a moment ago to this law known as social equilibrium. Weighing all the views exchanged in the house on questions which more or less directly relate to the budget, one realizes to what degree of deep perturbation the centre of gravity of the economic structure of the world has shifted. It is that centre of gravity which must be found and set in place. By its displacement, collectivities which abused of their own prosperity, relying on an unbounded optimism, are taught a sharp lesson. Neither have we escaped it. However severe it may be and however short we desire it, it must inevitably be of benefit in the first place to those who have been most affected.

Without this awakening of the conscience of nations to the laws of "the bread earned by the sweat of one's brow", of thrift, justice to all, charity and sacrifices, the most enlightened and best directed governments will remain powerless. In requesting the government, as it is done in certain countries and even among us, since certain members of the extreme left have advocated it, in the house, to check our insolvency by resorting to state measures, would simply mean adding government disorder to social disorder and thus pave the way to anarchy or revolution.

What strikes me most in the midst of the present distress and what seems to me to herald better times, is that we are gradually returning to the path over which our fore-

bears trod happily along. Things were then cheap: eggs, butter, meat, clothes, wood and coal cost very little, the fees of notaries and doctors were small. A cent was highly valued and had to be earned by the sweat of one's brow. That cent was appreciated and when possible it was preciously placed in the family chest, there was no hesitation however in giving or lending it to the neighbour to rebuild his house or barn that had been burnt, because there was a greater love for the neighbour than for the cent, even when earned by hard work. In those days, one knew how to serve and be served; thus the intercourse between servants and masters, employees and employers, workmen and capitalists was marked with a true human spirit which constituted for society an equilibrium of invaluable stability.

There was, therefore, a better distribution of worldly goods and less misery to be found. Much happiness then reigned over Canada.

I am not astonished, sir, that prices are falling, especially when they denote, as they do, a superabundance of wealth. The years following the war had created a somewhat fictitious prosperity resulting from a restless activity, alarming and unsecure, regardless of the needs and cares of the future. Through this activity rose a kind of Babel tower where capital and labour, industry and agriculture, wealth and poverty, injustice and charity carried on the confusion of languages and threatened to engulf all in a universal catastrophe.

Prices are falling. The cent is hard to earn. In the saving, the lending or the giving, it must be the outcome of the sweat of one's brow. Capital resting in its banks flanked by colonnades or pyramid shaped buildings, must, if it does not wish to crumble, fill the abyss which it has created between itself and labour and itself earn its millions. Work must also learn again to serve, so that there may exist real servants on the farm and true women servants in the home. Thus order will appear amidst this chaos where monstrous and fraudful wealth irritates the entrails of harassed and provoked poverty. What so many human beings rightly look upon to a degree, as an injustice of social life will turn itself to a little charity too long forgotten. There will then be stability. We shall hear no more of 20,000,000 unemployed in a civilized world. Governments will then peacefully carry out their work and their task of balancing the budget will be made easier.

I shall now close my remarks. All are aware that near the mouth of the Saguenay, that giant stream which, at Tadoussac, rushes to meet the majestic St. Lawrence, there are to be found two twin rocks, two formidable rocks whose foundation seems to rest at the very centre of the earth and whose lofty summits appear to be lost in the clouds. These two capes, Cape Trinity and Cape Eternity, have the appearance of two sentries of the infinite, mounting an eternal guard at the gates of our country, and which the sun bathes in rays or squalls unceasingly endeavour to root from the foundation bases. To all travellers that chance, work or pleasure bring to this region, it is an unforgettable spectacle and all agree in saying that it is one of the most marvellous landscapes that nature has strewn over our country with such fairylike prodigality. I see therein an allegory.

Through the storm we are passing we must, to strengthen our faith, assure our prosperity and safeguard our future, follow in the footsteps of our forebears and, particularly, in those of the two greatest creative minds and statesmen that our country ever had, among us French Canadians, Jean Talon, and among you English Canadians, Sir John A. Macdonald.

Secondly, we must rely on our efforts and say to ourselves that we are able to pursue a broad and happy existence, providing however that we display, as our forefathers did, an unshakable energy, for our soil still thrills with the future crops it hides, as it is ready to give up the wealth of its numerous and various mines and the spoils of its gorgeous forests. We must, however, entirely retain an unalterable respect for our laws and institutions, not follow the example of agitators but guard ourselves against the pestilent preachings of communism and sovietism. To follow the example of our forefathers, pursue with energy the development of our national resources, respect our laws and institutions, that is our Cape Trinity. It says: I trust.

But as we are only human, weak, limited in means and discouraged by a trifle, since we are like dust in space and time, we shall repose our faith in God who, in His everlasting power and infinite fecundity, will know how to bring our present sufferings to an end. Cape Eternity whispers: I have faith.

Mr. GEORGE SPOTTON (North Huron): This is the first time, Mr. Speaker, that I have had the pleasure of addressing the house during the present parliament while you have been in the chair, and I wish to congratulate you, sir, upon your elevation to your present position. I also wish to congratulate you upon the impartiality with which you have presided over the debates of this house. I think you should also be congratulated, Mr.

Speaker, for burning the midnight oil while learning the beautiful language of our compatriots. Right here I wish to say to our French Canadian friends from Quebec that I am delighted that I have lived long enough to hear the French language spoken from our side of the house. It was rather lonely to be sitting in the old parliament listening to the eloquent French addresses from the government side of the house and not knowing whether what the speakers were saying was correct or not; but now we are glad we have such a gallant band of able men from our sister province who will take care of the Conservative party in the province of Quebec, and glad that those battles of passion and prejudice will no longer hold sway.

In the short time allotted to me, Mr. Speaker, I suppose I shall do as all other hon. members have done—discuss everything else but the budget. So far as the budget is concerned, I think it suits my constituency very well. I suppose the principle of taxation is that it should be borne by those best able to bear it, and the increase in the income tax, the tax on corporations, comfortable chairs in railway coaches, compartments, staterooms and telegrams would seem to be fair and equitable. In connection with the tax on telephone messages, I should like to say not many local calls in the country districts bear tolls greater than fifteen cents. About the only place our people will feel the effect of the increased taxation is through the six per cent sales tax. They were quite used to that under the Liberal régime, and apparently in my county they liked it because they supported the King administration. Therefore so far as the budget is concerned I think it will be well received in the constituency of North Huron.

Most of the budget speeches of the present session were made during the discussion on the unemployment relief measure. I do not know about conditions in any other province, but in the province of Ontario I have heard practically no complaints about the handling of relief moneys. In my county relief measures were placed in the hands of the municipalities, regardless of politics. A Liberal mayor selected the ten men who went north from my home town, and we were all satisfied. The councils of the various municipalities in my county handled the relief problem in an eminently fair and efficient manner. I wish to give a few impressions I have gathered from listening to the debate. When I heard my right hon. leader being traduced, as he has been during this debate, and when I have seen during the course of every debate opposition speakers trying to enhance the glory of the leader of the opposition, it seemed to me that their attitude was fully set out, and that they had given an indication of their future campaign methods throughout the dominion. Having studied his well prepared address I have come to the conclusion that the hon. member for Quebec South (Mr. Power) made it abundantly clear what their method of campaign will be. He approached the different subjects with which he dealt very carefully. After laying a foundation he approaches his next point with some such expression as: "I do it with some reluctance." During the course of his speech he said:

> This is a matter which I find it somewhat distasteful to discuss, since it has been my practice ever since I entered politics not to indulge in or discuss personalities.

This was an admission that he was going to discuss personalities.

> But on account of the peculiar circumstances of the case, in that it is proposed, as I hope presently to be able to show, to entrust to one man supreme power in this country, and in that this one has, partly of his own volition and partly on account of the extravagant and exaggerated adulation of his followers, thrown his personality into politics so that it has become almost a political issue, we who take a definite stand on this matter must discuss that personality as any other live political issue.

He goes on to show that that personality was the moving spirit in the last campaign, and gives it credit for the winning of the general election. He then proceeds to state that the personality to which he has referred is as unstable as the shifting sands, has the manners of a Chicago policeman and the temperament of a Hollywood actress. He even goes to the race track to get the word "welsher." It is not necessary for me to repeat the personal attacks which have been made upon the leader of this government. But let me say this: In 1930, rightly or wrongly, the people of Canada dismissed the old physician and took in a new one; and I presume he will be in his place, prescribing for the next three years. We have been elected for a five-year period, and I think the people of Canada are sick and tired of political parties slipping to the country whenever they think the psychological moment has arrived. I agree with the platform of the United Farmers of Canada that legislatures elected for a definite period should have the nerve to stay during their full term of office, and appeal to the people at the end of that time. They should not strive at any particular time on some special issue to throw up a smoke screen, but should wait until they have served their full term, and then face the country on their record.

If the opposition think they can take a certain line of argument and hon. members on this side of the house are so infantile, puerile, or senile that we will take it lying down and will not meet it, then I purpose to disillusion them to-night. We in the province of Ontario are prepared to meet the campaigners right out in the open, whether they come from Vancouver or any other section of the dominion. When a man mounts the platform and makes the statement that the leader of the government entered into conspiracy with the chartered banks of Canada to put the provincial savings bank of Manitoba out of business, such a statement should not go unchallenged. That matter may rest with the hon. members from the province of Manitoba, but it also is of interest to hon. members from Ontario.

I shall give an example of the arguments used. I cannot understand the mentality of a public speaker who looks into the faces of an intelligent country audience and thinks he can get by with the political twaddle and clap-trap that has been handed to the people of Ontario during the last six months. One hon. member opposite visited Picton a few days ago. I happened to be in that place two days later, and found that the high school boys were talking about the remarks the hon. member had made while there. Speaking to a body of farmers on a Saturday afternoon he said, "There are two hundred cars in front of this hall to-day; had it not been for that wicked Tory party with their policy of high tariffs you could have bought each of those cars for $500 less, and you would have been able to feel in your pockets the $100,000 of which, because of the tariffs of the Conservative party, you have been robbed." Mr. Speaker, I imagine at least half of those cars would be Fords. If bought new they would cost $650, so that if they could have been bought for $150 it would be marvellous indeed. I presume, too, that not many new cars were bought last year, and that most of these were purchased under the King administration during its eight or nine years' tenure of office. And yet they thought they could inflame public opinion so that listeners would go back home and say, Mr. So-and-so told us to-day that owing to the high tariff policy of the Conservative party the cars around there have cost $100,000 more than they should have.

Then we find hon. members on the other side getting up in this house speaking about the millionaire cabinet ministers. I hope they are all millionaires. The only difference between themselves and myself is that they are on their second million—I am on my first. I know there are some hon. gentlemen opposite who are averse to having any money, and if a rich aunt left them $150,000 they would not sleep until they had spread it out among other people. Well, if a rich aunt leaves me any such sum I will keep it a few days at least and run it through my fingers. But we have hon. gentlemen opposite appearing on the public platforms in my province and declaring one of the first acts of the Bennett administration was to raise their own salaries $2,000 a year. That is in a measure true but it is a half truth which is ever the basest of lies. Think you, sir, that we are going to let anything like that go by? I have tried to refrain from speaking in this house, on the advice of my physician, but when I heard that statement I thought: That is one thing we will have to nail anyway. The people of Ontario can rest assured that most of the statements of those hon. gentlemen are of the same character. I asked for a return. I shall not have time to go through all the details, but I will deal with the former Prime Minister's car. Hon. gentlemen opposite forgot to tell the people that when the Bennett administration assumed office the eagle eye of the then Minister of Finance (Mr. Bennett) glanced around to see where he could curtail expenses. Some of you gentlemen perhaps have been commercial travellers at some time or other, or perhaps some of you have had men on the road, and you know that little travellers' book they call the "swindle sheet"; you will see commercial travellers figuring in it at night or while going from station to station to see if they can level up their expenses a bit so they will have a little extra for Sunday. Well, looking over the travellers' expense sheet of the old cabinet the Minister of Finance saw that a considerable saving could be effected, and I presume he said: Now, we will cut out these expensive cars driven by liveried chauffeurs from Dan to Beersheba, sometimes with the cabinet ministers, sometimes without them, and we will effect a great saving. Then I do not know what conversation took place, but anyway it was arranged that in lieu of the chauffeurs and the cars each minister would get $2,000 per year, and that henceforth they could go about on foot, on bicycle, on horseback, by taxi, aeroplane, or in any other way

they liked, but they would have to do it at their own expense. The following table will show what has been saved in the case of the leader of the opposition:

Year	Repairs, etc.	Gas and oil	Chauffeur's uniform	Chauffeur's salary	Depreciation	Total
	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.	$ cts.
1922-23	2,774 48	485 08	152 15	1,501 93	1,037 50	5,951 14
1923-24	1,652 27	714 14	320 50	1,532 00	1,037 50	5,256 41
1924-25	882 13	573 50	109 65	1,440 00	1,037 50	4,042 78
1925-26	481 80	568 31	193 15	1,440 00	1,037 50	3,720 76
1926-27	602 61	541 81	84 50	1,515 00	1,400 00	4,143 92
1927-28	281 43	440 05	213 45	1,657 05	1,400 00	3,992 43
1928-29	596 23	438 47	209 52	1,770 00	1,400 00	4,414 22
1929-30	465 24	536 02	268 25	1,770 00	1,400 00	4,439 51
1930-31	503 81	451 71	124 92	1,770 00	1,400 00	4,250 44

Total expenditure for the nine-year period.....$ 40,211 61

An hon. MEMBER: Whose car?

Mr. SPOTTON: William Lyon Mackenzie King's.

That is the return of the expenses of the ex-Prime Minister; but in it I have computed the depreciation which I believe is fair. I have asked for outside figuring on this, and hon. gentlemen will kindly check these figures. In 1923-24 a Cadillac was purchased for $7,150, less $300 allowed for the old car. We are charging up the $7,150 because that is really the purchase price of the car. In 1927, that car was traded in valued at $3,000 towards the cost of an $8,400 Pierce Arrow. Subtracting the $3,000 from the original cost of $7,150, the depreciation on the Cadillac for those four years is $4,150. Dividing $4,150 by four we get the depreciation for each year —$1,037.50. I do not know whether that Pierce Arrow bought in 1927 for $8,400 has been sold or not, but it would be fair to say that a car five years old would not be worth more than $1,400. I doubt if any one with $1,400 cash in his pocket would give more for a Pierce Arrow five years old, even though a prime minister—the grandson of a grandsire—had ridden in it. That represents a depreciation of $1,400 a year for five years on the Pierce Arrow, plus a depreciation of $1,037.50 for four years on the Cadillac. In other words, this spendthrift government has stricken out an item of $5,951.14 and substituted therefor $2,000; next year it has struck out $5,256.41 and substituted therefor $2,000, and so on down the line, the figures being $4,042.78, $3,720.76, $4,143.92, $3,992.43, $4,414.22, $4,439.51, $4,250.44. The total cost of keeping the car and chauffeur for the ex-Prime Minister for the nine years—the entire upkeep—was $40,211.61. Under the new arrangement it would be $18.000 for nine years. I regard that as pretty fair financing. To draw a pen through $40,211.61 and to substitute therefor $18,000 is something commendable. That represents a saving of $22,211.61 in nine years, or approximately $2,500 annually.

Mr. SANDERSON: Will the hon. gentleman permit a question?

Mr. SPOTTON: If it is short.

Mr. SANDERSON: His figures are very interesting. Has he also the figures relating to the cost of improvements of a private car on the railways for the present Prime Minister?

Mr. SPOTTON: I am very much surprised that my hon. friend should ask that question. He may go on talking about railways; I am talking about cabinet ministers raising salaries. We will now take up the Minister of Immigration. He was the man who had led the economy group—and I am not throwing stones at the United Farmers, because I know the organization well enough to know that the so-called Progressive group who put their hand to the plough and looked back are entirely different from the United Farm group that put their hand to the plough and did not look back. One was a real conversion, the other a mock conversion. The figures for the Department of Immigration are these: 1927-28, $4,554.42; 1928-29, $4,503.63; 1929-30, $4,115.28; 1930-31, $4,404.85. In other words, in four years there was a total of $17,796.94, almost $18,000; and now the government that substitutes therefore the sum of $8.000 is said to be doing a wrong act. Take the Department of Finance. In eight years we find the total of $40,910.71 as against $18,000, a saving of $22,000 in that period. In the Department of Agriculture in eight years the total was $28,854.12 as against $18,000. I will not go into depreciation here. A Cadillac bought in 1924 was turned in in 1927 for a Pierce Arrow.

I have asked the department whether this included the joy ride which that minister made when he took the Pierce Arrow over for its health, giving it a sea voyage, but they tell me that it is not included. The figures for four years for the Department of Trade and Commerce are $15,739.03, and now it will be $8,000 for four years. I am glad to know that the hon. gentleman came from my section of the country; I am glad to know that he kept his chauffeur well-liveried so that the people would know he was a great statesman when he passed by. The sum of $722.61 was spent on rigging out the chauffeur during four years, but when the hon. gentleman got to his county the chauffeur was left in the garden and the cabinet minister got into his Ford car and drove around the constituency. I give him credit for it. As regards the Department of Railways, I will just give the figures by fiscal years. They are:

1924	$3,465 44
1925	3,050 43
1926	3,486 65
1927	3,234 82
1928	3,515 55
1929	3,791 70
1930	3,701 86
1931	3,919 16

Those are the different years for the Department of Railways. Lest anyone should think that I am just selecting the worst of the departments, I am prepared to give any other department asked for.

An hon. MEMBER: The Department of Marine.

Mr. SPOTTON: In the Department of Marine the total was $44,732.79 in nine years.

Mr. CHAPLIN: He was no piker.

An hon. MEMBER: What about the Postmaster General?

Mr. SPOTTON: He used a car belonging to the department. Someone I believe has asked for the Minister of Labour's department. The Minister of Labour did pretty well for a man who pleads for a fair wage clause and who is going about shedding crocodile tears seeing that the working man gets a fair deal. When he started out, like every young traveller, his expenses were light. As they get educated, however, travellers' expenses grow, and that is so here. In 1928 it was $4,216.59; in 1929 it was $5,137.42; in 1930 it was $6,701.84 and in 1931 it was $5,975.18. Gasoline was an exceptionally heavy item, amounting to over $1,000 in one year and over $1,100 another. The others were much more modest. In this department a Willys-Knight was bought for $4,500 in the year ended 1927. That was traded in in 1929 for a Cadillac costing $5,724.25, an allowance of $1,800 being made on the old car.

Mr. CHAPLIN: What uniform did the Minister of Labour's chauffeur wear?

Mr. VALLANCE: Tell us about the budget.

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

Some hon. MEMBERS: Sit down.

Mr. SANDERSON: Just one question; I am sure the hon. gentleman will permit it.

Mr. SPOTTON: With all due respect, I must ask the hon. member for South Perth to take his seat.

Mr. SANDERSON: It is a simple question.

Mr. SPOTTON: My time is nearly up and I must ask the hon. gentleman to wait until I have concluded.

Mr. SANDERSON: As one hon. member to another, surely the hon. gentleman will answer my question.

Mr. SPOTTON: The clever accountants on the other side of the house can analyze the figures I have given, but by this one act the Dominion of Canada, on the number of cars that were running around this country, has saved approximately $50,000 per year. I may be a little out either way on that figure, but I cannot be far wrong. The only thing that might be questioned would be my figures on depreciation, and I am told by liberal garage men they are eminently fair. For four years the Minister of Labour averaged about $6,000 a year; now the present Minister of Labour will manage on $2,000 per year. I have been warned that my time is about up.

Mr. VALLANCE: Is the hon. member running out of material? He should tell us about the budget.

Mr. SPOTTON: I am a little hard of hearing but I think I hear braying somewhere. During the last day or so I have noticed that the groundhogs are beginning to come out.

Mr. VALLANCE: It does not look like it.

Mr. SPOTTON: I do not take up a great deal of the time of the house, perhaps because I am not as competent to do it as many hon. gentlemen opposite, but hon. members might allow me to use the few minutes at my disposal. Speaking for my people in North Huron, I know they are not expecting us in this house to be bickering back and forth

with small political arguments during this time of stress and strain. I would not have attempted to go into these figures had it not been that they were being broadcast throughout this chamber and the province of Ontario. When arguments such as these are presented I feel like saying to hon. friends opposite: Canada is passing through a crisis; drop your petty politics and come let us reason together. An hon. member gets up and says that two hundred factories have closed, and we hear actual applause. During the next campaign I should like nothing better than to have a sound picture of these proceedings to show how seriously the opposition has been aiding in the work of this session. When we go back to our people we will say: Regardless of whether or not our party is elected, we shall do our best and give our support to all necessary legislation, no matter whence it comes. Perhaps not the majority, but many of the opposition sit there chuckling and hoping that Canada will become more depressed so that hard times may cause the defeat of the government. The old farm which was left us was in a terribly run down condition. The roof was off the barn, the fences were all down and the soil was impoverished; it could not be expected that there would be a good crop the first year, but we are cleaning up the soil and we shall be able to give a good account of ourselves.

Considering the load he is carrying, the Prime Minister should be given every encouragement. I am reminded of a story in connection with a train climbing the Caledon mountains. With much chugging and puffing the engineer finally brought his train to the top of the grade. The brakeman came along and the engineer said, "I never thought I would make the top." The brakeman replied, "You wouldn't have made it if I hadn't put on the brakes." We hear hon. members saying that they hope the economic conference will be a success, but they know it will not be. What father would place his hand on his son's head and say, "My boy, I am sending you off to college but I know it is no use"? I claim that has been the attitude of the opposition during this session.

Mr. HUMPHREY MITCHELL (East Hamilton): Mr. Speaker, I am inclined to agree with the hon. member for North Huron (Mr. Spotton) when he says that there was possibly a great deal of claptrap during the last election campaign, but I think he will agree with me when I say that this side of the house does not hold a first mortgage upon that commodity. The hon. member discussed the depression as affecting automobiles; I am going to discuss the depression of human values which has taken place since the inception of this parliament. I hope that the contribution he made to this house will go to solve the conditions under which the agriculturists of this country are suffering.

With other hon. members, I compliment the Minister of Finance (Mr. Rhodes) on his presentation of his first budget. However, I contend that the budget itself is nothing to cheer about, and I do not think that this dominion will be able to stand many more like it. It places an added burden of $5.50 on every man, woman and child in this country, an additional burden of $27.50 on the average family of five. In my opinion it lacked the only sound method of taxation, the taxing of those who can best afford to pay and the placing of the burden where it is best able to be borne. The sales tax has been increased, and after all, we might just as well call it by its proper name—the buyer's tax. This tax increases the cost of every conceivable article used in the homes of this country. The same thing might be said of the excise tax, which has been increased by 200 per cent, enhancing the cost of well nigh everything that goes into the home of the ordinary citizen. There is plenty of money in Canada, and in this time of stress, when every individual has to face a decrease in wages or a shortening of hours, all of which causes a reduction in his buying power, it would have been in the best interests of this country had the government gone, like the Quakers, to where the money is. Two-thirds of the money to be raised will be taken out of the pockets of the average tax payer.

This afternoon one of the speakers broached the question of a change in the constitution of the Senate. I am opposed absolutely to an appointed Senate. I feel we have reached that stage in our legislative development when the Senate should either be abolished or elected; we have reached that stage in the development of our democratic institutions where every individual who fashions or makes the laws should be directly responsible to the electorate. If we must have a place wherein to put those who have passed their sphere in this chamber, the best thing to do would be to provide some sort of pension. I say this in all sincerity because after all some sacrifice is made by those who participate in public life; and when they give the best years of their lives to the service of their country they are surely entitled to some consideration in their declining years. I believe that would be a far better way to deal with the problem than the spectacle we have before us to-day.

The question of inflation has been touched upon during the debate. Rather than express

an opinion of my own, perhaps it would be better if I gave the viewpoint of a well known economist. Coming here in the train from Toronto to-day I picked up a copy of the Mail and Empire. That newspaper should be respectable enough for some, and to make the viewpoint doubly impressive, there is in it a clipping from the New York Times carrying the following article:

The abandonment by Great Britain of the gold standard is looked upon by John Maynard Keynes, the British economist, as the possible starting point of world economic recovery, in an article in the May issue of the Atlantic Monthly. Great Britain's policy has already stopped the decline of prices, measured in terms of national currencies, over the large part of the world allied with sterling, and has brought about the abatement of the deflationary pressure in Great Britain itself, Scandinavia, Australasia, India, Ceylon, Malaya, East and West Africa and Egypt and, in substance, in South America, Canada and Japan, Mr. Keynes writes.

As a result of quitting the gold standard, Mr. Keynes says, Great Britain is to-day "decidedly the most prosperous country in the whole world." Mr. Keynes predicts that the forces released by Great Britain's abandonment of the gold standard will in time undermine and destroy the creditor position of France and the United States.

The article further quotes:

"An almost collapse of the financial structure of modern capitalism" can be averted by a policy of inflation and by ceasing the "competitive panic" for liquidity. . . . He recommends a similar policy for the United States.

And so on. I should like to make this observation: After all is said and done, inflation is only a form of assignment. A man in business assigns at fifteen cents on the dollar, or whatever the rate may be. Nations inflate or repudiate. I appreciate the fact that we are going to inflate whether we like it or not, but I would point out that inflation is not the solution of the ills from which we are suffering. Let us make no mistake about that. We may get some temporary relief from it, but the problem goes far deeper than mere inflation of currency. Many hon. members have noted the additional factories that have been constructed and put into operation since the last general election. Listening to a repetition of this statement one would be led to believe we are in the midst of a boom in our industrial era. I come from an industrial riding and it has been my good fortune in the last twelve months to meet men and women in many other industrial constituencies. Moreover, I have in my hand correspondence from other industrial centres in Canada, and I should like to cite the conditions that actually exist so far as relief is concerned, in Hamilton, the fifth largest and the most highly industrialized city in the dominion. I take this from the official figures for the week ended March 26, 1932, issued by the relief department of that city over the signature of J. H. McMenemy, relief officer.

Commodity	Quantity	Amount
Groceries (orders)	4,514	$15,221 00
Milk (pints)	24,410	1,748 90
Bread (loaves)	33,722	2,023 32
Fuel (orders)	1,061	5,821 00
Shoes (pairs)	751	1,910 20
Underwear	——	263 60
Total		$26,988 02

The number of families that are drawing relief is 4,521. This does not include the expense of overhead; it is merely the actual cost of supplying the very necessities of life to these unemployed and their families. When, over the week end, I was discussing the subject with the mayor of our city, he told me that actually there were 7,000 married men out of employment there. The following is the comparison between this and last year:

Year	Families supported by Hamilton
1931	2,109
1932	4,521

This shows that the situation is just twice as serious as it was a year ago. When you analyse the figures, you find that the average increase per week in the maintenance of married men and their dependents is between 100 and 150. These men have spent all their savings and have found it necessary to look to the city for relief. It is estimated that, including unmarried men, Hamilton has 15,000 out of work in a population of 160,000. We must admit it is essential that persons who are unemployed should be sustained by those in more fortunate circumstances; it is equally important that this policy should not diminish the opportunities for productive work. The policy of work or maintenance is here to stay, but we cannot all be maintained. Emphasis must be placed upon the provision of work or Canada will come to disaster.

I should also like to give some figures regarding the amount of money spent on productive relief work in Hamilton. This is from a speech delivered by the mayor of the city, as reported in the Hamilton Herald of Tuesday, April 19:

City	Days' work	Wages	Rate per day	Per capita relief
Toronto	11	$ 53	$4 80	$2 00
Hamilton	23	103	4 40	4 00
Ottawa	22	97	3 60	1 80
London	26	91	4 00	2 00
Windsor	40	157	3 40	7 00

Recently the hon. member for Lanark (Mr. Thompson) spoke of people crowding into the cities and expecting to be spoon-fed by the government, but the figures that I have given show very clearly that there is very little spoon-feeding being done. We can assume that the average rent in the city for the class of people doing this work would be twenty-five dollars per month, so it will readily be seen how much chance a man would have of making both ends meet when the total wages earned for relief during the year were only $103. The amount expended in direct relief has doubled in the last twelve months. Quoting from the Child and Family Welfare bulletin for January, 1932:

Civic relief in December, 1931, showed an increase of one hundred per cent over 1930—expenditure of $102,956.64 on 5,350 families and 14,421 dependents, against $49,750.58 in December, 1930. This was for groceries, fuel, shoes and underwear. "Made" work, providing three days work per month for the married men was netting about $13.20 per month per family.

Going further east, I find that this resolution was forwarded to the hon. member for Winnipeg North Centre (Mr. Woodsworth), and I presume to the government, from Trenton, Nova Scotia:

The employees of the Nova Scotia Steel and Coal Company, Limited, Eastern Car Company, Limited, and other citizens of the town of Trenton met to consider the serious conditions of unemployment. We much regret to make these representations but the grave circumstances of the people are certainly worthy of any effort on our part.

We find that approximately 45 per cent of the families of the above named employees are in need and 40 per cent are in dire want. Men and women have not suitable clothing to go to church and other places of social interest, children cannot go to week-day school or Sunday school for the want of clothes and proper nutritious foods.

Now, sir, this is a deplorable state of living for Canadian citizens, and one which we firmly believe should not exist in Canada to-day, and we resent any method of administration which allows the same to continue.

Providence has provided sufficient food, clothing shelter, wealth and all the necessary things for human life, so all might enjoy a measure of life as life was meant to be, but what do we find to-day—men walking the streets deprived of the privilege to work while their wives and children suffer starvation. Such conditions will only create an atmosphere detrimental to Christian citizens.

The above statement is not exaggerated; it sets forth the facts as they actually exist at present, and we have endured this suffering for the last ten months in silence, but we are now compelled to make these facts known.

We make these representations to you with the hope that you will use your good offices immediately and place some work with the plants at Trenton. Direct relief is not adequate to meet the needs of the people; providing work is a much better method, and one that would promote human welfare which should be considered at this time.

It concludes:

We only ask for the right to work in order to live, and we believe your government has the authority and the right to grant the above request.

John C. Reid, Chairman.
Rev. P. C. Lewis.

After all is said and done, Mr. Speaker, these men are only asking what was enunciated in the declaration of the Lambeth conference, a meeting of bishops from every civilized country in the world, held in the city of London in the year 1930, which laid down the guiding principles of the faith until the next conference. The language used in this declaration, it is true, is possibly more polished than that employed by these men and women of Trenton, but it carries the same message and the same criticism of present conditions. Dealing with the present social system it says:

This change can only be effected by accepting as the basis of industrial relations the principle of cooperation in service for the common good in place of unrestricted competition for private or sectional advantage.

We gladly recognize an improved relationship between the different classes engaged in industry, and a better realization of the meaning of cooperation in service, but we cannot say that society has even yet come to believe that industry exists for man, not man for industry.

It is not the business of the Christian church to suggest technical remedies. But it is our duty to rouse dull consciences and to turn the attention of all Christian people to the moral background of the picture. It is a strange paradox that the capacity of the world to produce more than it needs of almost everything should coexist with extreme poverty in large areas of population, and the "discordance between consuming and producing power" calls for hard thinking and courageous action.

From what I have said, and I say this in view of the fact that the government has under advisement its policy in connection with unemployment relief, it will be obvious that there is a dangerous situation existing in the cities of this dominion. Only last week the firemen in the city from which I come were sworn in as special constables. We see thousands of men and women in straitened circumstances for the first time in their lives, men and women who placed their faith in thrift, hard work and honesty, and who invested the product of their thrift in what they believed were sound securities for the provision of comfort in their old age. To-day these people find the value of their securities gone. I live amongst them and I know the conditions. They find themselves out of work and losing their homes. They are in the position

in which the industrial worker has often found himself, of not knowing where to look for their next meal. I can understand these conditions existing fifty years ago, but when people are hungry in a land of plenty; when farmers are unable to sell their products and, men in industry cannot use their strength and skill in the production of the things that the farmer so badly needs, I think all will agree that such conditions are a challenge to our good sense and to our courage; and that courage should be exercised notwithstanding the psychological state of many who still persist in looking through the spectacles of 1870 at the problems of 1932. It is useless to declare against the present dole, because after all is said and done, I say to those who would not have the dole in this country, that you have the dole—an unqualified dole. It is not much use grumbling about its cost, because after all, these men and women on the streets must live, and even if we have failed to provide them with work, it is the duty of the state to see to it that they suffer no undue hardship through conditions over which they have no control.

For years labour has propounded the idea of unemployment insurance as the only scientific way to deal with unemployment. I admit that such a measure would be only a palliative, but I think most hon. members will agree that in view of conditions which have obtained during the last two years some such scheme is necessary. Three years ago industrialists said: "We do not pay our men to be idle; we pay them to work. We do not want any dole system such as that followed in Great Britain." I left industry only three days before I took a seat in this House of Commons, and I can say that the men and women who work in industry have come to the conclusion, because of their experience with intermittent employment, that some form of insurance is necessary against the greatest curse which enters the workingman's home—the fear of unemployment.

After all, society never moves until it has suffered. It has always been necessary to get out into the rough sea, to find ourselves in rough waters before we could really accomplish anything. One of the greatest benefits to be derived from the depression is that we have been taught to think. We all know that to cope with this period of distress through which we are passing many great fundamental changes will have to be made. Undoubtedly some form of unemployment insurance will be one of them, and if Labour members in this house could assist in bringing about such a change, their efforts, especially in view of their small numbers, would be most commendable.

I listened to the splendid oration by the hon. member for Labelle (Mr. Bourassa), who spoke about the necessity for thrift and economy. I do not for one moment question that the hon. member was under the romantic spell of early Quebec. It has often occurred to me that perhaps the most stable form of economic organization was that which existed between the feudal system and the industrial era as we know it to-day, where the labour of the man in the field balanced the labour of the man engaged in industry—the blacksmith, the shoemaker and so on. Whether we like it or not we are up against the problem of mass production in agriculture and industry. We are in the midst of the greatest period of transition the word has ever witnessed. In my opinion economy is the antithesis of mass production. Every move in the direction of economy intensifies the troubles from which we are suffering. If carried too far, these economic measures which are being promoted all around us will have the power to shake the very foundations of our social structure.

There are many to-day who talk economy and practise it as a moral obligation. I venture to say there is not one in a million who really understands the direction in which he is heading. Why do we fool ourselves? Right in this city of Ottawa in which the House of Commons is situated we are witnessing a "spend more" campaign. We are told to spend more in the city of Ottawa, but to save more in the House of Commons; save more by cutting wages, laying off men, and any other possible form of economy. I do not deny the existence of a problem in connection with federal, provincial and municipal financing. I do say, however, that measures of economy and the necessity for economy, so far as governmental organizations are concerned, are but symptoms of a disease. Our real difficulty lies in the maldistribution of wealth. That is the terrible mess in which we find ourselves because of our laissez faire attitude and our failure to recognize the existence and the enormous influence of science as expressed by mass production in agriculture and industry.

The real wealth of a nation is expressed in the ability of its people to consume the output of the fields, the factories and the workshops. For that reason labour stands for a policy of high wages. Probably at this point I should make a comment in connection with the present policy which is common in the city of Hamilton. My remark concerns St. Paul's cathedral, that magnificent structure in the heart of the British commonwealth which was

designed by the brilliant architect, Sir Christopher Wren. As we walk into that building we see a tablet on the wall which bears the inscription, "If you desire to see the achievements of this man, look around you." If you desire to see the achievements of economy in the midst of mass production, just look around you.

I should like to put the case of the municipalities before the house. If it is to be the deliberate policy of the federal and provincial governments to deny any assistance to the municipalities in connection with relief works, the problems of the municipalities will be greatly intensified. Many men are looking forward to relief works upon which they may earn sufficient money to pay the rental, on the homes in which they and their families live. I question very much whether the municipalities can carry their burdens very much longer. We must remember they have only two major sources of taxation, namely real estate and income. Speaking for the province of Ontario, there is no doubt we have just about reached the maximum, so far as taxation on the homes of the people is concerned. I believe the government will be well advised even to increase their contribution to the municipalities for these purposes. Such a policy is absolutely essential, particularly in view of the fact of the many avenues of taxation that the provincial governments and this government have in comparison with the few that are open to the municipalities.

We have had several committees sitting dealing with subjects referred to them by this house, but none of them have dealt with what I consider are vital problems. I think we should have set up a special committee to study the best means of introducing a system of unemployment insurance. I readily understand that such a system will have to be based on the peculiar needs of this country, but study and preparation are required before any action can be taken, and I am of opinion that in view of the basic need for unemployment insurance the first duty of the government was to set in motion a special committee for this purpose. Then I think the government might well have taken hold of the suggestion embodied in the resolution of the member for Red Deer (Mr. Speakman) for the establishment of an economic research council. I am convinced that before we get out of this depression the need for such a council will be imperative. I believe the resolution contains the germ of an idea that will be of great assistance in approaching the problems that have to be solved if we are to climb back to prosperity.

I have a number of other suggestions to make, but time will not permit. I say to the government that the people are ready for leadership—not leadership backward, but forward. The people are willing to take chances.

An hon. MEMBER: We have taken too many.

Mr. MITCHELL: Someone on the other side says that they have taken too many chances. Well, you have played pretty safe, you have not taken any chances so far in regard to solving the major problems confronting the dominion. It is all very well to be favourable to banks, insurance companies, and power companies, but governments do not exist merely to be paternalistic to such corporations. The people of this country are ready for a real progressive policy initiated by this government.

Mr. D. B. PLUNKETT (Victoria): It is gratifying to note that the budget has been received throughout Canada in a very commendable manner, and I belive it is worthy of consideration for its complete and clear review of the country's present obligations and future necessities. Perhaps the best evidence of its favourable reception by the country is the very weak criticism of the budget offered by hon. members sitting to your left, Mr. Speaker. It is noticeable that in any criticism from hon. gentlemen opposite no solutions have been offered or positive suggestions made that are any better than those brought down by the government. Particularly is this so in reference to the care or relief of the unemployed.

During the debate it has been suggested by the hon. member for Acadia (Mr. Gardiner), and in this he was supported by the hon. member for Southeast Grey (Miss Macphail), that all deposits over $20,000 in the savings banks should be taxed for the direct benefit of the state. As political publicity this may sound very well at the present time, but what faith or confidence can the people be expected to have in this country if those who by hard work and industry have saved some money and deposited it in our savings banks are to have those savings absorbed by the state? What incentive would there be for anyone to work and save his surplus money for future contingencies if such proposals were to become law? Our banks are the custodians of the people's money, and the only money actually owned by any banking institution is its capital stocks and reserve funds. The capital stock usually consists of the bank's office buildings

and other property; its reserve funds are usually invested in government and other first class securities. Usually neither of these is available for loans; for this purpose banks rely generally on the money entrusted to them by their depositors. Deposits may be divided into two classes: deposits payable on demand, which appear as current accounts; and savings accounts, on which fifteen days' notice is sometimes required before withdrawal. It will therefore be seen that it is a primary duty on the part of banks that they protect their depositors' funds. No business or industrial venture is so susceptible to fluctuating conditions as the banking business. I wonder how many hon. members would make good bank managers?

Let me make this comment on the taxing of incomes over $20,000. A contracting firm handles big contracts, sometimes running into millions of dollars. We will suppose that after a contract has been completed, and the contracting firm has paid off all the debts incident to the contract, it has a balance running anywhere from $200,000 to $600,000. It may have to wait a considerable time before it gets another contract, and in the meantime deposits a portion of that money, say $50,000, in savings account in a chartered bank, Well, if the suggestion made by the hon. member for Acadia were put into practice, $30,000 of that deposit would be taken by the state. Would that be a good thing for the commercial life of this country, or would it not? That is one of many things that must be given due and fair consideration before we could adopt the plan proposed by the hon. gentleman. He has said our banking institutions do not consider first of all the welfare of the people. I wonder what reception he would get if he were to make that statement in the United States. Many depositors in that country who have lost thousands of dollars through the failure of their banks would think the Canadian a funny person who would make such a statement. To-day in the United States they are marking their return to normalcy by the fewer number of banks that have failed this month as compared with the preceding month. To deride or belittle the banking system of this country is not doing a service to Canada. That could have been done in times of prosperity as well as in times of adversity. Take the provincial savings office of Manitoba; that was a government-conducted affair. I do not think I need to comment upon it, but I submit that it was a splendid thing the banking houses of Canada were able to absorb and save the depositors in that province. What of the American money that is coming into our country now for deposit? Would that money come in if the American people did not have faith in our banks? While there may be an increase in deposits in the savings banks of the country, it will be found on inquiry that a part at least of that increase is coming from the United States, and it is coming here for safety and for no other reason. When the history of this depression and of these hard times is written, the brightest spot in it will be the conduct of the financial and credit system of Canada as it was maintained by the Prime Minister and his government; and I have no doubt that his successor in that very high office, the present Minister of Finance, will be equal to all that is put upon him.

The hon. member for Winnipeg North Centre (Mr. Woodsworth) has said in this house that our forefathers, when they built their homes in Canada, believed that they were founding a democracy. I agree with that statement, but I have sometimes wondered whether our forefathers would have permitted some of the speeches that are being made in this country to-day. And when I hear men going up and down the country saying, "The state owes me a living," I would reply with this: They owe something to the state. Many of them are living better in Canada than they have ever lived or ever will live in any other country, and the social legislation of this country is burdening the taxpayers to the limit. Let us not forget that the taxpayer is the best citizen, for he keeps the wheels of government running.

I now wish to make a few remarks with regard to unemployment relief in British Columbia, a subject which has been forced upon the attention of the house by hon. members opposite. It has been a surprise to me, if there were any real maladministration of affairs in British Columbia, that some hon. members from that province should have so graciously permitted the hon. member for New Westminster (Mr. Reid) to present such rumours, for they are rumours inasmuch as none of them are facts. Or was it their policy, with their larger experience in political life, to accept no responsibility for unproven statements which might become embarrassing later on, and which the hon. member for New Westminster, in his enthusiasm, was willing to assume? The hon. member for Vancouver Centre (Mr. Mackenzie) and the hon. member for Vancouver North (Mr. Munn) have had considerable political experience, both having been members of the British Columbia legislature. These hon. gentlemen were supporters of the late Liberal administration in

that province when that government had control of the political destinies of British Columbia. And what is the record of the Liberal government there? When the Liberal party came into power in 1917 the public debt of British Columbia was $25,521,000, and when the Conservative party took office in 1928, after nearly twelve years of Liberal rule, the debt was $117,452,000, or an increase of $650,000 per month. That was the extent to which the public debt was increased by the Liberal administration of British Columbia. The present leader of the Liberals in that province is Mr. Pattullo, formerly Minister of Lands, the one who has been instrumental in saddling on that province a land policy that has left a debt on the people of British Columbia of over $12,000,000. The four projects he fathered when Minister of Lands were Sumas, South Okanagan, Merville and Creston. These gentlemen were enthusiastic supporters of that government which was so extravagant in provincial affairs, and responsible for these tremendous expenditures. But they want to have the taxpayers forget their past, and so they point to the Conservative administration of British Columbia and say, "Just look at their administration. Forget about our past. Our future is bright; wash us and we shall be whiter than snow." And so, passing down the political highway of adventure, they come to Ottawa, where they find that their party is not altogether immaculate nor above reproach; for as they pass through the valley of humiliation someone whispers "Beauharnois." But posing in a superior attitude they hope that their own weakness and failures in the past will be forgotten if they make an attack on the present administration in British Columbia. Inferences, innuendoes and generalities, spoken without reliable evidence in writing, are not statements of fact and should be very carefully considered by hon. members.

The unemployment situation in British Columbia presents difficulties which other provinces have not to contend with. In the last eighteen months eleven thousand outsiders have come into British Columbia from other provinces. This is a considerable burden for a province with a population of only a little over six hundred thousand, about the size of Toronto. In the report issued by the Dominion Director of Unemployment Relief it will be found that British Columbia leads all the provinces in man day's work given for the expenditures made. To control these people who came from other provinces was very difficult, and had they not been given relief in some cases, hon. gentlemen in this house, whose hearts are so sadly torn for the working man, would possibly have said, "You made them swear that they did not need money; you put them through a third degree to be sure whether they needed it or not. Was that right?" I will read you a few extracts to show what some of these working men have done. I am sorry the hon. member for Weyburn (Mr. Young) is not in the house, because this might interest him:

Relief Case Investigated

Vancouver Man Who Applied For Work Had Three Houses and 320-Acre Farm

Vancouver, March 22.—Investigation of the case of a man who applied for relief work from the Vancouver relief department has disclosed:

He owns his own home with a clear title.

He has clear title to another house which he rents at $18 a month.

He has a third house that is mortgaged.

He has a 320-acre farm at Weyburn, Sask., which he values at $4,500 and which has $2,500 against it.

His two daughters, which he claimed were dependents, are earning a total of $166 a month.

Relief Officer H. W. Cooper, reporting the case to the civic relief committee yesterday, stated the man in question had registered under the provincial government scheme, made an affidavit that his real estate, negotiable securities or cash, consisted of a house, etc., assessed at $2,000 and enumerated his dependents as being a wife, three daughters and two sons.

Mr. Cooper stated he had written the provincial government for instructions regarding prosecution.

Then in Victoria, British Columbia, a man was convicted and it was shown he had $3,222 in a Winnipeg bank, $115 in the Canadian Bank of Commerce, and three shares of British Columbia Electric Railway valued at $100 each. A nominal fine was imposed for his having made these misrepresentations. I shall not give the name of this man, but if any hon. member desires it, I shall be glad to furnish the information.

If hon. members desired to criticize the administration of unemployment relief in British Columbia, would it not have been fairer to send these facts to the British Columbia government? If hon. members did not desire to send them through to the Conservative government, the information could have been furnished to the leader of the opposition, and no doubt he would have investigated these matters while the house was in session. But hon. members did not do that, they saw fit to make statements—they were not statements, that is my mistake; they were rumours—three thousand miles away from those who were being attacked, thus making impossible a fair defence.

I shall refer particularly to some allegations made by the hon. member for New Westminster, speaking in this house on March 16. I shall read a letter dealing with these allegations, and I am sure it will be found to be illuminating and of value to hon. members of this house. Under date of March 23, I received the following letter from Hon. R. W. Bruhn, Minister of Public Works at Victoria:

For your information I am enclosing memorandum from Mr. Philip to myself, in connection with the statements made by Mr. Reid in Hansard of March 16. I also enclose one of my speeches which I delivered in the house here, giving further information in regard to unemployment relief in British Columbia.

As there have been some comments on the cost of lumber, for your information I may say that the average cost per thousand feet of lumber, delivered at the camps, is $20.60. The average cost per camp, including equipment, per man, is $36.46. This is considered rather low.

The statements made by Mr. Reid and other speakers are without foundation, and you are quite safe in making that statement should you have an opportunity to do so, as the unemployment committee here has so far found nothing to warrant such statements.

The following is the memorandum of Mr. Philip, chief engineer, to Mr. Bruhn:

With reference to the speech of Mr. Thomas Reid in the House of Commons, page 1283 of Hansard.

Employment of men: We have employed almost 25,000 on unemployment relief works, instead of 16,000.

Twenty-three Delco plants were purchased, some of them second-hand, not 100 as given to Mr. Reid by a truck driver. Possibly if Mr. Reid would apply to the proper quarters for information his data would be more reliable.

With reference to the water supply; it is true that a well was dug where the supply was insufficient owing to the dry weather at a cost of $75, and another well was dug on which a total of $22 was spent. It was not necessary to use this well as the water became plentiful in the first one which was dug, owing to weather conditions. This is the scandal Mr. Reid takes the time of the House of Commons to investigate.

As to the manufacturer who told Mr. Reid that he had sold 50,000 blankets and "It took him out of the red." The facts are that 7,700 pairs of blankets were bought new and 420 pairs second-hand, making a total of 8,120.

As for the steel wheelbarrows, he may have counted these in one camp for distribution throughout other camps. As to a man appointed to regulate their use, this is too ludicrous to even discuss.

With regard to the coal: This was bought locally in Mission and hauled to the camp for cook-house ranges. It was found when these ranges were purchased that they had coal-burning grates but this was rectified as soon as possible. No coal was purchased by the carload.

As to the tenders for cutting wood, this refers to Allco camp. At one time the supply ran out and no available wood could be had less than three miles from the camp, which had to be delivered on the logging railway. A small contract amounting to one or two hundred cords of wood was advertised in the regular way and some local settlers took the contract.

With regard to the government road foreman who had $50,000 in the bank: We have no knewledge of this, but if the information given by Mr. Reid is as reliable as the blankets, wheelbarrows, the water supply, the coal and the grader which was unable to turn on the road, then I submit that very little attention should be paid to the hon. member, Mr. Thomas Reid.

That is the memorandum of Mr. P. Philip, chief engineer and Deputy Minister of Public Works.

I should like to make a passing reference to the remarks of the hon. member for Comox-Alberni (Mr. Neill). One statement was as follows:

One might say they were equipped almost luxuriously with hot and cold water shower baths, electric lighting plants, and I am informed even radios have been supplied in some cases.

A reply to this statement is made by the Minister of Public Works at Victoria in the following words:

Camps were built according to standards laid down by provincial health regulations of 1920. Shower baths with hot and cold water were put in in permanent camps as called for in these regulations. Showers were in the proportion of one to twenty or twenty-five men. The cost of these showers was approximately $7 each, and consisted of lumber and tarpaper stalls, with platform of slats and timber drain.

There were twenty-three lighting plants purchased or enough for approximately ten per cent of the camps. Some of these plants were bought second-hand and have a high salvage value. The cost of lighting by electric light was carefully estimated and when the period over which the lights were to be used and the salvage value of the plants were considered, it was found that in large permanent camps electric light was cheaper than coal oil or gasoline lamps.

Misinformed as to radios: There were none purchased.

Another statement by the hon. member was as follows:

The tools were furnished on a scale never known before in connection with roadwork. Every man had a wheelbarrow; every man had a ten-foot saw, which was entirely unnecessary, and everything was done on a lavish scale.

The answer is as follows:

Regarding tools: The statement that each man had enough tools to suffice for ten, is a very loose statement and is entirely contrary to fact. Public works inventories show that for the number of men to be employed, namely 16,000, there was one wheelbarrow for every 7 men and one cross-cut saw for every 11 men.

Perhaps one can hardly blame hon. members for making such statements when it is considered that the former provincial Speaker and

Attorney General apparently has accepted similar rumours. The following article dealing with the piano story appeared in the Victoria Times, a good Liberal paper, of March 17:

Camp Piano Story Refuted
Also Nothing in Carload of Radios Rumours, Manson Tells Committee

The mystery of the piano at the Blue river relief camp, which has been causing politicians so much concern, has been solved.

A. M. Manson, K.C., M.P.P., who had the matter up last week, announced at Wednesday's session of the legislature's unemployment investigation committee, that he had had telegraphic inquiries made and that "The piano story arose from an old piano taken into camp."

"As for the carload of radios, which people report having seen come in, there is nothing in it," said Mr. Manson. "It is only proper when a member gets information sent to him in connection with matters like these, we should clean it up."

I hope hon. members of this house will take cognizance of that statement. The article continues:

"It was not fair for any member of the committee to present the piano story in jest," said J. W. Berry, M.P.P. "We are deluged here with this kind of stuff—reports about the way moneys have been expended," Mr. Manson went on.

The following article appeared in the Colonist of March 23:

'Cousin Rumour Goes by Board
Another Myth Exploded at Public Accounts Hearing

Joining the "carload of radios" and the "Blue river piano" myths, which had been previously exploded before the unemployment committee, another choice bit of gossip was dissipated yesterday before the public accounts committee, with another retraction from A. M. Manson, K.C., who had introduced the subject to the committee on the strength of a letter from a citizen at Coalmont.

As it reached the committee the rumour was that a cousin of the Minister of Mines had made a good thing out of renting some machinery to the government on Tulameen roadwork, with machinery he was supposed to be buying on time purchase from the government. Examination into the rumour showed that the man in question, B. L. Hatfield, was no relation to the Minister of Mines and that he did not rent machinery to the government for this work.

The hon. member for New Westminster, speaking in the house on April 19, stated that his information in regard to blankets was given to him by a prominent business man in Vancouver. Surely it is time that a letter verifying these statements should be presented to the house. If I were to give in the house all the statements that I hear on the street or from business men, I am afraid we would need a greatly enlarged Hansard. He further made this observation:

This would seem to indicate that, generally speaking, all my statements were accurate, or eleven of them would not have been left unchallenged.

The hon. member has something to answer now.

Mr. MUNN: May I ask a question?

Mr. PLUNKETT: The hon. member can make his speech later. I have very little time.

Mr. MUNN: I should like to say this—

Mr. PLUNKETT: I do not interrupt any hon. member when he is speaking, and I hope the same courtesy will be extended to me.

The hon. member for New Westminster, speaking in the house on these questions which he considered to be of such moment, missed something good regarding his own port. I should like to help him out; I want hon. members to know that New Westminster is a great and growing port and it is going ahead even in these dull times when everybody is visiting the wailing wall in Jerusalem. This is from the British Columbian:

March export of lumber best for more than year. March was the best month for lumber exports from the Fraser river for more than a year, according to the month's figures issued at the harbour board office to-day. The export of lumber totalled 18,638,989 feet, as against some 14,000,000 in March, 1931.

There were twenty-nine ships in port in March, as compared with twenty-six in the corresponding month last year. For the first three months of this year there were eighty-two ships, as against seventy-five in the first quarter of 1931.

Export of shingles also showed a marked increase, being 8,236,800 in March this year against some 2,000,000, in March, 1931. Canada salmon was another product that showed an increase, 13,447 cases this March against 1,300 in March last year.

There are several other figures given, but my time is almost up.

I wish to make just one remark in regard to educational methods in Canada. It was not long ago in British Columbia that the college students went on strike because the provincial government had reduced its estimates by $250,000. I sometimes think these days that education has gone a little too far; that we must stop at the public or high school point and let those who desire a better education pay for it. It has become such a burden upon the people, it is almost unbearable. University students of to-day seem more capable and informed upon communism, atheism and companionate marriage than they are upon political economy or any national virtue which would help in the advancement of our citizenship or the relief

of the taxpayer who has to pay the bills. We have all read the essays and theories of economic experts and we know of what little value they are. None of them has evolved anything which could help us out of our present dilemma, and I do not know what may happen to us as a nation if all our citizens should receive an academic education; for I find few, if any, of such people ever work at manual or laborious work except by way of talk, theory and writing. And while they talk, the taxpayer works to meet the obligations that conserve our institutions and advance the nation.

Many suggestions have been made by hon. members to the left of the Speaker, with regard to what we should do. Many of them have come from the hon. member for Vancouver Centre (Mr. Mackenzie). It is only right to expect that the mind which knew when England was going off the gold standard, would be more full of facts than any other. The hon. member for Kenora-Rainy River (Mr. Heenan) gave some suggestions; so did the hon. member for New Westminster and also the hon. member for Témiscouata (Mr. Pouliot). But not one of them said in the house that he had the endorsation of his leader. Is it going to be a part of the Liberal policy that every one can dictate it?

Mr. MUNN: We have a certain amount of freedom over here.

Mr. ROBINSON: And they show it, too.

Mr. PLUNKETT: I can only say this, that they may have a certain amount of freedom over there, but at the same time I am looking to the right hon. member for Prince Albert (Mr. Mackenzie King) as their leader because he is drawing the salary. Perhaps they are dissatisfied with him; perhaps they are not; but some of us on this side consider that as long as he is their leader, he is something of an asset to the Conservative party and I think it is the unanimous wish of us on this side that he continue to occupy that position for years to come.

As a nation we should have no doubt about the future, for the following reasons:

The decisive action on the part of the federal and provincial governments, municipalities and our two great transcontinental railways, to stop unnecessary and wasteful expenditures, and the realization of our citizens, that, if Canada is to prosper, extravagance must end.

The present outlook and possibilities for good crops and the knowledge that came by those engaged in agriculture that the growing of wheat alone, to the exclusion of other farm products, does not guarantee a living or assured financial returns.

The coming Imperial conference with all its future possibilities for increased trade to all parts of the British Empire. This conference we hope will be a great success.

Therefore we should, with assurance, expect that Canada will be carried through this time of trouble and economic warfare by the character of our people and the intergrity of our institutions.

For these reasons, Mr. Speaker, I cannot find it consistent to vote for either of the amendments offered by hon. gentlemen opposite, and I shall give my support to the main motion.

Mr. ANGUS MacINNIS (Vancouver South): Mr. Speaker, making and listening to budgets is a rather disappointing occupation at the present time. The Minister of Finance (Mr. Rhodes) has received so many compliments and congratulations regarding his presentation of the budget that I am sure he will pardon me if I sympathize with him instead of congratulating him. I know the difficulties he has in the position he holds in a government that does not intend to change from the beaten path it followed when conditions were so different. I said that budgets are disappointing to the people who hear them, and I can assure the house that this one is a great disappointment to me. It is disappointing in that it does not take into consideration the changed conditions under which we are living, the fact that the class which has assumed the prerogative of supplying the needs of our people has fallen down on the job, and the fact, as stated in the words of his own leader during the election campaign of 1930, that the first duty of the Canadian government is to provide work for Canadians.

It is rather to be regretted that the hon. member for Victoria (Mr. Plunkett), who has just taken his seat, should have gone out of his way to take a slam at the unemployed in general as well as at other hon. members. As long as he confined himself to hon. members, he was quite within his right, but when he went out of his way to infer that because one or two unemployed people were found imposing upon the local authorities, all the unemployed were in the same position, he was going rather too far. I say that he will not make the same statement before a meeting of the unemployed in the city of Victoria. The time is long past when anyone should have the gall to say that men are unemployed because of their own fault. Let me quote

from a letter that I received recently from an alderman in the city of Vancouver:

I represent, as you well know, a district composed of workers of an excellent calibre from the standpoint of citizenship—skilled mechanics; men who have in better times operated thriving little business ventures but who have lately been forced to the wall; labourers who by a maximum of effort and self-denial have gotten together a little home and up to the present have succeeded in bringing up their families respectably. These men are those who do not appear in unemployment parades. They are men who will eke out their small savings to the ultimate cent before they apply for relief, and these are the men who, I assure you I am not exaggerating, call on me or 'phone me not singly or in pairs but sometimes as many as sixteen a day, begging me to to something to help them over the hump. And what can I do?

If the member for Victoria has any solution for this problem, if he believes that the majority or even a small minority of the unemployed are sponging on the local authorities he should make that known to the people who are charged with investigating those who apply for relief, and I am sure that they would very soon tell him that not one man in five hundred of those who come before them comes until all his resources have been dissipated.

Mr. HEAPS: Does a capitalist ever sponge on the public?

Mr. MacINNIS: They all sponge on the public. While I did not intend to say very much in connection with unemployment, as the hon. member for Victoria has brought up the question it may be well for me to touch upon it.

As the members of the house know, we met here in September, 1930, with a great flourish of trumpets in order to deal with the problem of unemployment. A certain appropriation was passed and certain provisions were made at that time for unemployment relief. In making those provisions and in allocating the funds provided by that appropriation it was stipulated that all work done would be done under the fair wage clause which applies in government contracts to government work, and through its fair wage officers the government saw to it that that clause was carried out all over this dominion. In 1931, however, we did not have the opportunity of discussing an appropriation for unemployment, and we therefore had no opportunity to stipulate what should be the conditions obtaining in relief work. As a result we find that instead of the provisions of 1930 for unemployment relief being carried out, wages were materially reduced, and not only were wages materially reduced but a great deal less work, relatively, was provided and a great deal more direct relief given than was the case in 1930. While we have not before us the government's unemployment policy for 1932, I assume from what I hear that no work whatsoever will be provided and that all that the unemployed will receive will be a handout from the present government.

Let me point out another thing in connection with the unemployment provisions in 1930. At that time it was the policy of the government to keep employed as many men as possible, and to that end it was provided that out of the twenty million dollar appropriation there should be paid the carrying charges for eighteen months on $25,000,000 which the two Canadian railroads were going to spend for work and supplies outside of their usual budget. But this year, with conditions much worse than they were in 1930, we find the government taking the lead in reducing wages and in going back on the working conditions which the government employees have had for many years. For instance, I quote from a circular that was issued from the Post Office Department just a few days ago, on April 11:

The postmaster is advised that the item which for some years appeared in the estimates to cover overtime and statutory holiday pay has been deleted from the estimates for 1932-33. However, the amount provided for salaries for 1932-33, even outside of the ten per cent deduction, has been greatly reduced. These facts leave the department no alternative but to modify the regulations governing overtime, hours of duty and compensation for work performed on statutory holidays.

It goes on:

It follows that the eight-hour daily period of duty cannot in all cases be subject to a minimum spread of hours or even to two attendances.

That means that instead of a post office employee going to work in the morning, coming home for lunch, going back after lunch and then finishing his day's work, he may now be called upon to come to work, go home or lay off, come back to work and lay off several times during the day. There is no limit to the number of times that that may happen within the spread of twenty-four hours. The circular continues:

Moreover, the concession granted by the department whereby seven hours' night work and six hours' Sunday work have been considered a full day can no longer be operative.

With the number of unemployed continually increasing in this dominion, and with private organizations cutting down their working day and working week, this government is extending the working day of its employees and leaving the unemployed to be taken care of by charity soup kitchens. The bulletin goes on.

Immediately on receipt of this circular the postmaster will take steps to arrange the staffs and hours of duty so as to take care of the work with a minimum number of employees, and will, as soon as possible, report such rearrangement to the department giving particulars as to the number of employees who could be released as the result of the more economical distribution of the staff.

That is the contribution of this government to the unemployment situation in Canada. They are giving a lead to private employers to cut down staffs and to put more people on the list of unemployed to be cared for by the municipalities. In this instance I am afraid the government is setting a rather dangerous precedent. We know that when a misunderstanding arises between workers in public utilities and their employers, or in other industries, the government sends out representatives from the Labour department to try to effect a conciliation. What position can the government take when it becomes known that these employees were only resisting conditions similar to those that the government itself has been putting into effect, without consulting in any way their organized employees? Where is the boasted collective bargaining about which we have heard so much? If private employers treated their organized employees in the way this government treats its employees, there would be strikes and discord from one end of Canada to the other.

At this point I should like to read two telegrams I received from organized federal employees of Vancouver. One received on April 19 is as follows:

Postal Employees Amalgamated Civil Servants protest post office circular 196. This increases hours of night work, hours of Sunday work and lengthens daily tour of duty in that it gives the postmaster authority to spread working day over twenty-four hours period. This circular eliminates payment for over time in excess of regular duty and for work performed on statutory holidays. Through application this circular many employees will be dismissed which means remainder of staff will be required to perform extra work under more difficult conditions. Salary cut bad enough but consider proposed action infinitely worse in that it means loss of all rights gained through organized effort of past twenty years. Proposed action will aggravate unemployment situation. Consult colleagues and interview National Secretary Knowles for full particulars.

That is signed by D. J. McCarthy, Secretary for the Amalgamated Postal Employees. Then, I have a shorter one from the Secretary of the United Postal Employees of Vancouver. This is dated April 22, and is as follows:

Meeting held under auspices Vancouver Branch United Postal Employees strongly protest recent order PSB 196 whereby improvements in working conditions in Post Office Department gained over period of twenty years are nullified. This follows ten per cent salary cut and withholding of statutory increases in the interests of staff and in conformity of principles of organized labour we ask your support in above protest.

May I repeat that this government is setting a very dangerous example to private employers of labour in Canada.

In the speech from the throne we were told that conditions were gradually improving. At the very time that speech was being drafted and was put into the hands of the Governor General, what were the actual conditions throughout the length and breadth of Canada? The Labour Gazette for the month of March gives the following information from the reports of the employment offices in the different provinces—the figures are for the month of January, 1932, as compared with the months of December and January, 1931.

In Nova Scotia, the positions offered show a decline of 32 per cent as compared with the preceding month, and an increase of one per cent over the month of January, 1931.

In New Brunswick the demand for workers was 17 per cent less than in the preceding month, and nearly 38 per cent less than in the month of January, 1931.

In Quebec the orders received for workers were 19 per cent less than for the month of December and for the month of January, 1931.

In Ontario the orders received at the Ontario office called for 16 per cent less than in the preceding month, and 49 per cent less than in the corresponding month in 1931.

Orders received at the Manitoba offices were seven per cent less than in the preceding month, and nearly 47 per cent below that of 1931.

In Saskatchewan the number of orders for workers were 25 per cent less than in the month of December and nearly 32 per cent less than in the month of January, 1931.

In Alberta employment opportunities were eight per cent less than in the preceding month, but over 25 per cent less than in January, 1931.

In British Columbia the demand for labour through the labour offices was 22 per cent less than the month of December, and 31 per cent less than for the month of January, 1931.

The figures I have given, showing the requests for labour in the different provinces, are really the best indication of business conditions. They show that in every province of the dominion with the exception of Nova Scotia, requests for labour were less in the month of January, 1932, than in the same

month of 1931. In Nova Scotia there was an increase of one per cent over the previous year.

I should like to say a few words concerning the budget, the Liberal amendment, and the amendment to the amendment proposed by the group in this corner of the house. First I shall refer to the Liberal amendment, and in doing so may I congratulate the hon. member for Shelburne-Yarmouth (Mr. Ralston) upon his masterly criticism of the policy of the government. However, a very definite flaw in his criticism is that it compares conditions in the years 1922 and 1930 with those prevailing to-day. Liberal members—and it would seem with a great deal of right on their side—have on occasions drawn attention to the statements and promises made by the Prime Minister during the election campaign of 1930. It seems to me we have to admit that conditions during the last two years either are or are not comparable to those prevailing in the years immediately preceding the last federal election. If they are not comparable with the situation which existed prior to 1930, what is the use of saying, "We did this or that during our term of office"? Whatever was done, and with whatever success, was accomplished out of the material conditions of that time. If those conditions cannot be duplicated now, they cannot do the same things as were done in the years prior to 1930.

However, it is when we come to consider the amendment of the opposition that we learn, and as far as I am personally concerned learn with a shock, that the events of the last two years have taught them very little. One is inevitably driven to the conclusion that the only solution they have to offer for the very serious situation in which we find ourselves at the present time is a reversion to things as they were in 1930 before the present government came into office. In the years preceding the last general election things of course were not so bad as they are to-day, but I had been connected with the civic affairs of Vancouver some time before 1930, and I can very well remember that we had a rather serious unemployed situation there for every year from 1925 down to 1930. While I had nothing to do with civic affairs in the years preceding that period, I am sure we had recurring unemployment during every year the Liberal party was in power. In 1930 the Conservative party was going to put an end to the depression by increasing the tariff. I point that out at this time because that is the only thing that the Liberal amendment has to offer—another alteration in the tariff. By thus increasing the tariff the Conservative party was to make it impossible for foreign-made goods to come into the country and so conserve the market for our own manufacturers. But our conservative friends overlooked the fact that taking production as a whole very little profit can be made by producing for a local market; that if profit is to be made by the manufacture and sale of commodities, such commodities must be disposed of in other countries than the country in which they are produced; that is, you must have a foreign market. The reason for this I will explain to the house.

I referred a moment ago to the number of unemployed in this country. We have them to-day in every industrial country in the world. If an unemployed man in the city of Ottawa or anywhere else goes out looking for a job to-morrow, and finds one, he will find it on one condition, and one condition only; or at least this condition is implied when he gets the job —that he will produce more for the person employing him than that person will pay him in wages. That is, the value in goods he produces for his employer will be greater than the value his employer pays him for his labour. That, I repeat, is implied in the contract of every man who goes to work for an employer. What relation the values received and the values produced have I will not go into at this time, but it has been stated on the floor of this house that it is about four to one; that is, if a man receives one dollar in wages, he produces four dollars in goods. Evidently then the person so employed cannot buy goods to the value of four dollars with the one dollar he receives; so that for every one dollar of commodities that a worker can consume there are three dollars' worth that must be disposed of in some other way. There are other people in the community, however, besides the working class. There is the owning class or the employing class, the buyers of labour, or to be more correct, the buyers of labour power; they will consume some of it. They are not so numerous, but their purchasing power is relatively greater. So we may say they will dispose of another dollar's worth of commodities. But we still have one half the total product to dispose of, and it cannot be disposed of where it was produced because of the limited purchasing power of the working classes and of the limited consuming capacity of the employing class. That is the reason why this government has its trade commissioners in every country in the world looking for a market for our goods, and it is the reason why every other industrialized nation has its trade commissioners in this country seeking a market for their goods. Every country to-day is reducing the wages of the workers in every line

of employment, hoping thereby to reduce the cost of production and obtain an advantage in the markets of the world. This, however, is a vain hope, as the people who cannot buy the commodities produced in their own country because of insufficient buying power, for the same reason will not and cannot buy the goods produced elsewhere.

Another intended result of the tariff policy of the present government was to attract foreign capital—of course to the benefit of the country. That always seemed to me a peculiar kind of reasoning. On the one hand we raise the tariff to shut out competition, and on the other hand we beckon to our competitors to come in to continue the competition—and of course send their profits to the countries in which their head offices are situated. I think it is pretty generally admitted by every thinking person to-day that the industrialized countries of the world are overequipped with production machinery of every sort, and that any further agricultural or industrial development without increasing purchasing power will only intensify competition and add to unemployment. If the people of Canada produce more than they can consume individually, for the reason already stated, and if the people of the United States, France, Germany, and of all other countries produce more than they can consume individually, for the same reason they cannot consume these commodities collectively, even if the circulation or passing of commodities from one country to another be as free as air. You cannot increase trade except by increasing the power of the masses of the people to draw on the products of industry.

The Liberal amendment suggests a change in the tariff policy, which change I suppose would be a reversion to the policy of that party up to the election of 1930. The depression set in in the fall of 1929, after the Liberal party had been at least seven years in office. If they were not able to stave off depression during that time, by what logic can we suppose that what they could not prevent then they can cure now? Of course, it seems reasonable to me that the power to set the prices of imports for duty purposes, as at present exercised by the Minister of National Revenue (Mr. Ryckman), is a detriment to trade; but at the same time I submit that the root causes of the depression are so fundamental in character that the removal of surface irritations, such as the tariff or its regulation, will not have any effect in removing those causes. I have said in this house before, and I repeat it now, for it cannot be stated too often, that the world depression is not due to the fiscal policies of governments. In my opinion it is due to defects inherent in the system itself. If it were due to fiscal policies, surely there is somewhere in the industrial world to-day a government that would have sense or business ability enough to carry on its affairs without being affected by the conditions that are now prevailing. If it were in the power of government to prevent or to overcome this depression, I am sure that there is enough business ability in the ranks of the present government to do that, and that there was enough business ability in the ranks of the preceding government to have prevented it. But in my opinion it is due not to the fiscal policies of any government, but to the inherent defects in the capitalist system itself.

I pointed out a moment ago that when a person entered industry he did so on the understanding that he would produce for his employer more than his employer paid him in wages. Now, what he produces for his employer over and above what his employer pays him in wages is termed in political economy surplus value. And surplus value is the life blood of capitalism. So long as this surplus value can be put back into industry as new capital, then capitalism can and will continue; but the moment that surplus value cannot be put back into industry as new capital, that moment capitalism will languish and die. And that moment has arrived. Very little new capital has been invested in industry in the last few years. Let me point out to those who tell us that conditions will improve and that Canada will come back on a high tide of prosperity very shortly, that unless new capital can be put into industry in such measure as the world has never known before, prosperity will not return. In its growth, capitalism has materially changed the social relationships between man and the methods of satisfying his needs. It has placed the means of production in the hands of a few, and in doing so it has created a huge propertyless population without the means or the skill to produce its sustenance from nature, as our more primitive forebears have done. In the last one hundred and fifty years the world's population has increased manyfold. The large majority of the world's peoples are congregated in cities without contact with the soil out of which life can be sustained.

In face of the present situation, a world well equipped with industrial and agricultural machinery which cannot be used, a farmer class that is crushed with a burden of debt which it cannot pay, and a superabundance of produce that it cannot dispose of, and an ever-increasing army of unemployed, the Liberal amendment is no solution.

The amendment to the amendment differs from the government's policy of doing nothing, in waiting for good times to come, God knows how or when, and it differs also from the policy of the opposition, who hope that by a slight reduction in the customs tariff we shall be able to bring back the prosperity of the golden age between 1922 and 1930. Our amendment differs from both these policies in that it points out that we have in this country, this Canada which we members of parliament represent, abundant natural resources to supply all the primary needs of the people; that we have developed an industrial machine that is capable of producing more than is necessary to meet the requirements of the people; that all that is necessary is that the abundant natural resources of the country and the machinery of production should be organized, controlled and directed so as to meet the needs of the people. Further it points out the dominance of finance in the economic life of the world to-day, and that as a first step towards economic reconstruction the nation must have control of the issuance of currency and credit. We insist that currency and credit is too important a factor in the everyday life of the people to be left in the hands of private interests, to be manipulated for private gain. My hon. friend from Victoria (Mr. Plunkett) said that it was a fine thing that the banks of the country were able to absorb the provincial savings bank of Manitoba when it got into difficulties. That is one of our objections to the banks—their tendency to absorb. As a matter of fact, they have absorbed about everything that is loose in the dominion, including the affection of some politicians. While the amendment to the amendment aims at the stabilization of the price level that is not the end itself but merely a means to the end,—just what we say it is, a first step. The end we have in view, what we want to bring about, is a reorganization or reconstruction of the economic life of the country on the basis of use and not of profit.

On motion of Mr. Sanderson the debate was adjourned.

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

END OF VOLUME II.